



Daily Report

Latin America

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Cuba's Castro Offers Aid to Hurricane-Ravaged Islands

*FL1009203095 Bridgetown CANA in English
1917 GMT 10 Sep 95*

[FBIS Transcribed Text] Havana, Cuba, Sept 10, Cana — President Fidel Castro has offered "modest assistance" to three island states of the Caribbean Community (Caricom) that fell victim to Hurricane Luis last week. The Cuban leader Saturday cabled his personal concern and that of the Government and people of Cuba to [words indistinct] of Antigua and Barbuda, Denzil Douglas of St. Kitts/Nevis, and Edison James of Dominica.

The Dutch-French Caribbean island of St. Maarten/St. Martin and Antigua and Barbuda were particularly hard-hit when Hurricane Luis, with maximum sustained winds of 140 miles an hour and blinding rain, devastated homes and businesses across the Leeward and northern Windwards last Tuesday [5 September]. Financial assessments are still being prepared for the Dutch-French island and for Barbuda. But in Antigua, officials say, damage has been estimated at US\$300 million and four persons are dead.

In his cable to Prime Minister Bird, President Castro extended "heartfelt condolences" on losses of lives and material damage caused by Hurricane Luis. President Castro has told all three prime ministers that in view of the tragedy that has befallen these "brotherly" Caribbean countries, Cuba stood ready to "provide modest contributions to help repair the damages caused by the hurricane." Cuba's Barbados-based ambassador to the three hurricane-damaged Caricom states in the Eastern Caribbean, Lazaro Cabezas, said that apart from assistance in the health sector, his country could assist in infrastructure construction projects.

Officials of the Caricom and OECS secretariats are, in the meantime, engaged in making assessments of the extent of damages in Antigua and Barbuda, St. Kitts and Nevis, and Dominica as member states of the Community consider specific areas for possible assistance.

OAS Grants Aid To Hurricane-Affected Islands

*FL0809165595 Bridgetown CANA in English
1536 GMT 8 Sep 95*

[FBIS Transcribed Text] Washington, Sept 8, CANA - The three Caribbean nations - Antigua and Barbuda, St. Kitts and Nevis and Dominica - affected by Hurricane Luis are to receive immediate assistance from the Organisation of American States (OAS), through its Caribbean Disaster Mitigation Project (CDMP).

This was decided Thursday [7 September], during a meeting of The Committee of the Inter-American Emergency Fund (FONDEM) at OAS headquarters. FONDEM comprises representatives of the OAS, the Inter-American Development Bank and the Pan American Health Organisation (PAHO).

Thursday's meeting, presided over by current chairman of the OAS Permanent Council, Ambassador Richard Bernal of Jamaica, discussed short and medium term disaster relief and mitigation which could be made available to the affected countries, an OAS release said.

Under the statutes of this Fund, OAS Secretary General, Cesar Gaviria, can make immediately available up to 25,000 US dollars to each affected country, upon request. The three affected OAS member states are to formally request this assistance on Friday.

A technical team from the CDMP will visit the three countries beginning September 11, to begin providing immediate technical assistance for reconstruction planning; support for the adoption of a national building code based on a model code developed for the OECS [Organization of Eastern Caribbean States] countries which promotes safer construction; lifeline vulnerability reduction; and storm surge assessment.

In addition, the damage cause by Hurricane Luis to the coastlines of the affected countries will be studied in detail, and recommendations will be made for actions in the short and long term, that can assist the countries in reducing future coastal damage. This study will be undertaken as part of an OAS executed project on Adaptation Planning to Global Climate Change in the Caribbean, which is being financed by the Global Environment Facility of the World Bank.

The OAS Secretariat will also request from the European Community Humanitarian Office (ECHO), additional support for a School Vulnerability Reduction Programme, which is currently being carried out in Central America.

"The objective of the programme is to prepare those agencies responsible for school construction in techniques to assess vulnerability to natural hazards and prepare programmes for local school disaster mitigation measures. The additional support requested will be for implementing a similar programme in the three affected countries, in the first instance," said the OAS release.

Meanwhile, the meeting was informed that the Inter-American Development Bank (IDB) is in discussion with the Caribbean Development Bank (CDB) about the provision of assistance to the three countries. These countries are not members of the IDB, so requests

for, and disbursement of assistance must be channeled through the CDB.

The meeting also heard a report from PAHO about a range of activities already undertaken, including the setting-up of an emergency epidemiological surveillance system to address problems which may result from disruption of water supply systems and the sanitation infrastructure in the affected countries.

PAHO also reported that there has been significant damage to the health infrastructure and that a damage assessment and needs analysis team has been deployed.

The Pan American Development Foundation (PADF) said it had embarked on a campaign for private sector support for relief operations and offered assistance in providing and shipping relief supplies to the three countries.

Mercosur Countries Studying Air Transport Pact

*PY0809195195 Sao Paulo GAZETA MERCANTIL
in Portuguese 4 Sep 95 p A6*

[Article by Claudia Mancini]

[FBIS Translated Text] Brazil, Argentina, Paraguay and Uruguay are negotiating over the implementation of a multilateral air agreement, with the basic objective of meeting the demand in the rural areas of those countries. Air Force Major Brigadier Renato Costa Pereira, president of the Committee for Studies Related to International Air Navigation (CERNAI), has said that the fact that the conversations are being held by the same countries making up Mercosur [Common Market of the South] is a coincidence. Pereira said: "We are not concerned about the current long-range agreements. We are concerned about integration of rural areas."

Participation of Observers

Chilean and Bolivian observers are likely to attend the next meeting that will address the subject — scheduled for October in Paraguay — to consider whether to join the conversations. During the period prior to this meeting it will also be possible to gain a better idea of the size of this market. Two groups were created to work on matters linked with the new agreement. One will deal with air transportation details, like the size of the planes to be used, and the other will clear the difficulties for implementation of free transit.

The CERNAI president believes the new system should have the same rules for everyone, "as if it were just one territory." In current bilateral agreements, the countries use "exchange rights."

Bilateral agreements dealing with high-density "gates" — signed by the countries that are negotiating — will

reportedly remain in force. They work well, Pereira said. Moreover, if those agreements were expanded, other countries — and Brazil has approximately 70 bilateral agreements — might ask for a renegotiation. Companies operating within bilateral agreements are not expected to operate within the Southern Subregional System, which is the new name for the project.

Computerized Control

The idea for this new system is also to computerize passenger, baggage, and freight control, making it easier, simpler, and more efficient. Pereira added that it would be ideal if the passengers flying on this system — within the region — were considered to be travelling in one single territory.

The matter has been under study for about a year. It is estimated that the rules for the system will be ready at the end of 1996, and that the system will possibly cover the six countries. The idea is to achieve full integration in the future, after creation of other subregional systems in the Americas.

Report on Mercosur Trade, Relations With Mexico

*PY0809204095 Sao Paulo GAZETA MERCANTIL
in Portuguese 4 Sep 95 p A6*

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] The government will not make an exception by exempting Uruguayan rice from the cash payment for imports by Brazilian entrepreneurs. This decision was reported to the Uruguayan Government in Montevideo last week, where a Common Market Group meeting was held. The Common Market Group is the executive organ of Mercosur [Common Market of the South]. Cash payments will make Uruguayan rice lose competitiveness to Brazilian rice.

Jose Botafogo Goncalves, coordinator of the Brazilian position in Mercosur, told this newspaper that "there is no short-term solution for the importation of Uruguayan rice, because of the surplus on the Brazilian market."

Brazil, Argentina, Uruguay, and Paraguay debated in Montevideo how to maintain a free flow of trade in the zone, despite the restrictive measures that governments might adopt to preserve their economic stabilization plans. Botafogo said the conclusion is that there is no theoretical formula for addressing the subject.

He said: "When there is a problem, it is necessary to sit at the negotiating table and resolve it in the best possible way and with a practical, factual solution, especially at this initial stage of the customs union." This is what Argentina and Brazil recently did to overcome the

crisis caused by a Brazilian provisional measure that established quotas for the importation of cars. Likewise, Uruguay obtained a Brazilian decision exempting cash payments for the importation of four types of wool clothes.

"The most important thing for Uruguay is to avoid jeopardizing its productive programs aimed at selling products on the Brazilian market," Botafogo said. Uruguay is still negotiating with the Ministry of Industry, Commerce, and Tourism to facilitate the exportation of two other types of textiles.

Renegotiation of Preferences

The Mexican Government and Mercosur met on 29 August in Montevideo to renegotiate tariff preferences (discounts), but no consensus was reached. The disagreements are still significant. According to an Itamaraty

note, Mercosur does not agree with a Mexican proposal to negotiate on the basis of a previously established tariff. Brazil, Argentina, Uruguay, and Paraguay believe this will entail a "freeze" on the current tariff structure. They believe that it is better to adopt the preferential margin scheme of the Latin American Integration Association (LAIA).

Mexico wants to "multilateralize" the tariff preferences it has already agreed upon with the four Mercosur partners, provided concessions are reciprocal. Brazil, however, believes that "multilateralization" entails a significant expansion of the facility with which Mexican products reach Mercosur markets, because it will include the concessions granted by the four countries. Mercosur believes agreeing to the Mexican proposal would be equivalent to ignoring the compensations that Mexico must offer because of its membership of NAFTA.

Cuba

Alarcon: U.S. Restrictions Persist in Migration Pact
PA1009234895 Havana PRENSA LATINA in Spanish
1639 GMT 10 Sep 95

[FBIS Translated Text] Havana, 10 Sep (PL) — The migration agreements of September 1994 between Cuba and the United States have been fulfilled satisfactorily, although there are certain restrictions by Washington that persist, contrary even to the spirit of the document, Ricardo Alarcon stated today.

The president of the Cuban parliament and head of his country's delegation to the talks with the United States noted that the sanctions imposed by President William Clinton on 20 August 1994 are still being maintained.

In an interview published by the weekly JUVENTUD REBELDE, Alarcon added that such measures prevent the normal trips to the island and have cut off money remittances to families, harming the legitimate rights of many Cubans.

These restrictions were established amid the so-called "rafters crisis" — when 30,000 Cubans abandoned this country illegally — and one year later they are senseless, he noted, adding that this is something that also affects normal migration.

"The other obstacle is the underlying topic: The U.S. hostile policy toward Cuba and, specifically, the economic blockade that is being maintained and which is currently being intensified," Alarcon stated.

He said he believes the blockade is the fundamental cause that encourages the migratory trend and constitutes a negative element for achieving normalcy in this aspect between the two countries.

Although Alarcon did not rule out the possibility that this topic may be discussed in the coming rounds of talks, at this moment — he stated — with the progress of the rightist wing in the Congress and the weakness of the current administration in the face of that sector, it is difficult to imagine that Washington will move in that direction.

On the eve of an electoral year, he insisted, "no change should be expected with regard to a foreign policy issue as sensitive and complicated as the Cuban issue, much less on the part of a president who has enough problems and is quite harassed by an opposition that controls the main sources of power outside the presidency."

Asked how the signing of the migration agreements had affected the positions of the extreme right of Cuban-American emigration, Alarcon mentioned the failure of the strategy by that group as the main reason for the weakening of the agreements.

"All that warmongering, bellicose strategy," he said, "has been losing support and credibility among the those same masses of emigration," and, furthermore, "they have clearly identified with the American Right against the Democrats, causing them to lose influence in Washington."

Alarcon: Agreements With U.S. Passed 'Test of Time'

PA0809231295 Havana PRENSA LATINA in Spanish
2058 GMT 8 Sep 95

[Report by Angel E. Pino: "Immigration Agreements Between Cuba and the United States Have Passed the Test of Time"]

[FBIS Translated Text] Havana, 8 Sep (PL) — One year after its approval, the immigration agreement between Cuba and the United States seems to have passed the test of time but it is far, as some expected, from making an impression on the age-long bilateral conflict between the two countries.

Signed on 9 September 1994, the agreement succeeded in overcoming a moment of high tension resulting from the so-called rafters' crisis, and established the foundations for the gradual normalization of immigration relations between Washington and Havana.

A complementary agreement signed on 2 May 1995 during secret talks outside the framework of the official meetings, increased the relevancy of the illegal immigration phenomenon and raised, in a number of observers, the hope of rapprochement between the two nations with regard to the conflict.

Tomorrow marks one year since the process began and representatives from both countries have expressed satisfaction over the results achieved; they have reaffirmed their resolve to continue working to overcome the differences that still exist in order to achieve full normalization.

"I believe that these agreements have passed the test of life and have proven that they were a good decision," said Ricardo Alarcon, president of the parliament and head of the Cuban delegation to the negotiations.

In statements to PRENSA LATINA on occasion of this date, Alarcon pointed out that the agreement's implementation "has helped to normalize the immigration problem," although he explained that normalization will also depend on the solution of other more complex issues pertaining to the bilateral conflict.

"This is not only a Cuban-American problem, it is a universal phenomenon, and with these agreements we have gradually divested the conflict — with regard

to Cuba and the United States — of the elements of political manipulation that have characterized it from the beginning," Alarcon said.

By virtue of the pledges made by both countries, Washington agreed to grant no less than 20,000 visas yearly to Cubans interested in migrating, and to deport to the island those who are caught at high sea attempting to illegally enter the United States.

The Cuban authorities, meanwhile, pledged to adopt pertinent measures to avoid illegal departures from Cuban territory and to not prosecute or take reprisals against Cubans returned by the U.S. Coast Guard.

Asked by PRENSA LATINA, Catherine Moses, an official at the U.S. Interests Section in Havana (SINA), said she was "pleased" with the fulfillment of the agreement, but refused to go into further details regarding the problem.

"I am very pleased to announce that on 15 August we fulfilled the first year of our commitment (the granting of 20,000 visas)," Joseph Sullivan, chief of the SINA, said in a statement delivered to the media.

However, in the framework of the agreements themselves — and even outside the agreements — mutual dissatisfaction and reproach continue, which in the opinion of the Cuban authorities, are far from satisfying expectations for the complete normalization of the migration relations, let alone allow both sides to go into the discussion of other bilateral problems.

The United States has refused to lift the travel restrictions for Cubans living in that country and has continued to prohibit the sending of money transfers to relatives in the island, a measure that was adopted in August of last year in reprisal for the so-called rafter crisis, which has now been overcome with the signature of the agreements.

In his statements to PRENSA LATINA, Alarcon pointed out that the maintenance of the economic blockade and the threats to intensify it with the possible approval of the Helms-Burton Bill "only seek to create more difficult conditions for our people."

"We have noted (in the negotiations) the context in which this phenomenon is taking place and we will, of course, not stop mentioning how these elements conspire and threaten the health of these agreements," he said.

This all indicates, he said, that there is no immediate hope for the disappearance of the material and objective causes, which here and in the entire world, are the main source of the migration currents that always take place from poor countries to developed nations.

Anniversary of Migration Accords With U.S. Noted
FL0909182495 Havana Cuba Vision Network
in Spanish 1630 GMT 9 Sep 95

[Unattributed commentary from the "NTV Midday Broadcast" newscast]

[FBIS Translated Text] Exactly one year ago, Cuba and United States signed migratory agreements which represent a historical milestone in the ties between the two countries. On 9 September 1994, in New York, the two sides reached an agreement to stop the so-called rafter crisis or the unorganized and unsafe flow of people. Washington agreed to grant more than 20,000 visas per year and Havana agreed to dissuade those who tried to leave the island on fragile vessels.

On the following 2 May, the agreements were complemented. The United States declared that it would repatriate illegal Cuban immigrants and would receive those detained at the Guantanamo Naval Base and other installations. Cuba, on the other hand, promised something that was easy to fulfill: not to take action against those that are returned.

The agreements are important because their spirit tend to normalize relations which had deteriorated over three decades because of the Cuban Adjustment Act and other U.S. policies that gave privileges to Cuban immigrants for political reasons.

The new focus of Washington's government shattered the bases for the counterrevolution's business which had created some fortunes, especially in Miami, and caused its beneficiaries to get hysterical.

Another positive factor is the fact that the two sides have demonstrated the will to advance in the fulfillment of the migratory agreements. The United States, according to officials, has already granted 23,000 visas.

Nevertheless, there are still obstacles. The main obstacle being the continuation of the blockade and particularly the measures of prohibiting travel to the island and the remittances of money to relatives, which were dictated in August 1994. According to analysts, the end of such circumstances would contribute towards the better fulfillment of the Cuban-U.S. migratory agreements.

Cape Verdian Minister Rejects U.S. Blockade
PA0809183595 Havana PRENSA LATINA in Spanish
2329 GMT 6 Sep 95

[FBIS Translated Text] Havana, 6 Sep (PL) — Cape Verdian Foreign Minister Jose Tomas Veiga today reaffirmed his country's solidarity with Cuba and rejection of the U.S. blockade of the island.

Our state is playing its small part in efforts to spread the Cuban truth throughout the region and joins states in the area in supporting the Cuban cause at international forums, Veiga told PRENSA LATINA at the conclusion of a conference on the Cape Verdian sociopolitical situation held at the Cuban Foreign Ministry.

Veiga described Washington's blockade of Havana as "unfair, inappropriate, and unwarranted," in the midst of efforts to tighten and internationalize it with the proposal by U.S. Congressmen Jesse Helms and Dan Burton.

The African archipelago's ranking official told the conference — chaired by Roberto Robaina, his Cuban counterpart — that his government is interested in greater cooperation in the health and fishing industries.

Veiga specifically mentioned the Cuban tuna fishing fleet operating off the Atlantic coast of those 10 islands, some 445 kilometers from the African Continent.

The African foreign minister met Public Health Minister Carlos Dotres on 6 September and proposed that Cape Verdeans study medicine and take graduate courses in Cuba.

Dotres reaffirmed Cuba's willingness to train Cape Verdian health professionals after explaining to the distinguished visitor the characteristics and achievements of the national health service system.

Veiga had already met officials from the Foreign Investment and Economic Cooperation Ministry and Fish Industry Minister Orlando Rodriguez Romay.

The Cape Verdian foreign minister arrived in Havana on 4 September. He visited centers of economic, social, and historic interest.

Next year that archipelago of almost 500,000 residents is scheduled to host the 10th session of the intergovernmental joint commission that will follow up on the ninth session held in Cuba in 1994.

[Havana Radio Havana Cuba in Spanish at 0000 GMT on 8 September adds during the regularly scheduled "Evening Information Review" newscast: "The Cape Verdian minister told AIN that his country is interested in acquiring vaccines produced at the Carlos J. Finlay Institute, in Havana, which he visited on 7 September. Veiga noted that Cuba is at the forefront of the production of vaccines and pharmaceuticals."]

Mexico, Cuba Urge Nuclear Arms Moratorium

PA1009203795 Havana PRENSA LATINA in Spanish
1422 GMT 10 Sep 95

[Report by Miguel Lozano]

[FBIS Translated Text] Mexico City, 10 Sep (PL)

— Today, Cuban Deputy Foreign Minister Fernando Ramirez revealed that Mexico and Cuba have agreed on the need to work toward a global nuclear arms testing moratorium.

Remirez, who headed the Cuban delegation in an exchange of opinions held here in recent days said that Cuba is also opposed to nuclear tests in laboratories and by computer simulation.

In statements to PRENSA LATINA, Remirez said that among the issues discussed during regular consultations between the two foreign relations ministries was the advancement in incorporating Cuba in the Tlatelolco Treaty to ban nuclear arms in Latin America and the Caribbean.

Cuba, Remirez recalled, signed that document in March during Mexican Foreign Secretary Jose Angel Gurria's visit to Havana, despite the fact that the reasons for which the island previously refused to join still exist.

Remirez said that the United States, presently the greatest nuclear power in the world, maintains its hostile policy toward Cuba, as proven by its economic and financial blockade and its illegal occupation of the Guantanamo Naval Base which is in Cuban territory.

However, Remirez said, that in pursuit of Latin American unity, Cuba decided to contribute toward creating a denuclearized zone in the region by adhering to the treaty to work together toward denuclearization.

Remirez reported that currently Cuba officials in Havana are studying the upcoming ratification of the Tlatelolco Treaty after taking the initial step by signing it, but no exact date has been set for ratification. Remirez disclosed that in a few months Cuba plans to adhere to the treaties amendments as part of the process to establish a denuclearized zone in the Latin America and the Caribbean.

In the bilateral context, the Cuban deputy foreign minister said that he received reaffirmation from Mexican officials regarding their interest to maintain and develop bilateral ties with Cuba in all areas.

Cuban Delegation Concludes Vietnam Visit

PA0809205895 Havana Radio Havana Cuba
in Spanish 0000 GMT 8 Sep 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] On Thursday [7 September], Culture Minister Armando Hart concluded his visit to Vietnam at the head of the Cuban delegation that attended the events marking the 50th anniversary of the independence and founding of that Indo-Chinese republic.

The Cuban delegation attended the 2 September Independence Day festivities in Hanoi and then flew on to Ho Chi Minh City, where they stayed to the end of their visit. Shortly before leaving, Hart reiterated that the economic transformations taking place in Vietnam are aimed at guaranteeing the country's socialist program.

Nation Not To Request NAM Support To Lift Embargo

PA0909180795 Havana Radio Havana Cuba
in Spanish 1300 GMT 9 Sep 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Relations Minister Roberto Robaina, who is in Cartagena de Indias, Colombia, has denied that his country will take advantage of the 11th NAM [Nonaligned Movement] summit to request support from the Latin American nations in an effort to lift the economic blockade the United States imposed on the island.

During the speech he delivered at a forum held in preparation for the upcoming October world forum, which delegates from several Latin American and Caribbean countries will attend, Robaina affirmed that the governments of the continent and the world already voiced their rejection of Washington's policies toward Cuba.

The Cuban foreign minister explained that the delegation from the largest Antillean nation attending the 11 NAM Summit to be held in Cartagena de Indias will favor the elimination of poverty, which is the main issue in his agenda for this world meeting.

According to the Colombian Foreign Ministry, the chiefs of state and government of 44 countries, 53 foreign ministers, 109 delegations, and 10 international organizations, as well as 16 guest nations and nine observer nations, have confirmed their participation in the NAM summit.

Lage Arrives in Mexico on Official Visit, Comments

PA1109042795 Havana PRENSA LATINA in Spanish
0010 GMT 11 Sep 95

[FBIS Translated Text] Mexico City, 10 Sep (PL) — Cuban Vice President Carlos Lage today arrived in Mexico at the invitation of President Ernesto Zedillo, with whom, according to the official agenda, he will meet tomorrow.

Lage, who was welcomed by Assistant Foreign Secretary Juan Rebolledo and Cuban Ambassador to Mexico Abelardo Curbelo, told reporters that the objective of his visit is to strengthen relations between the two governments and people.

Lage noted that it is a known fact that these historical relations have withstood the test of time and various circumstances because they are based on friendship and understanding.

In replying to reporters, Lage said that Cuba is not worried about the pressure that some sectors of the U.S. Congress are trying to exert on Mexico to reduce its relations with Cuba, because Cuba is convinced that the Mexican foreign policy is based on sovereignty and independence.

Visits by Robaina to Colombia, Cape Verde Minister Noted

FL0809141995 Havana Radio Progreso Network
in Spanish 1100 GMT 8 Sep 95

[From the "First Thing" program]

[FBIS Translated Text] Summary of the most important news this morning:

— Over 250,000 Santiago de Cuba residents will meet on the Antonio Maceo Revolution Square for the national ceremony marking the 35th anniversary of the Committees for the Defense of the Revolution [CDR].

— Canada's former premier Pierre Trudeau arrived in Cuba heading a business delegation consisting of about 20 businessmen. They will study the possibilities of expanding commercial and economic ties with Cuba.

— Foreign Minister Roberto Robaina arrived in Cartagena de Indias, Colombia, to attend a two-day meeting of Latin American and Caribbean personalities on the Nonaligned Movement.

— The sound of the air raid alert will mark the beginning of the CDR Defense Day on Sunday [10 September]. Over 1.5 million people are expected to take part in the activities organized by this thriving mass organization.

— The Mexican Government is sponsoring a resolution at the United Nations General Assembly seeking an immediate moratorium on nuclear tests and the creation of a mechanism to enforce it.

— A high-level French official announced that the next nuclear test, out of the seven or eight the French Government will conduct, might take place in the South Pacific within three to five weeks despite the international rejection of the test conducted last Tuesday at Mururoa Atoll.

— Pleased with the results and outstanding development of the talks held in Havana, Cape Verde Foreign Minister Jose Thomas Luano Veiga concludes today his friendly and official visit to Cuba.

— Approximately 2,000 outstanding Havana CDR members will attend tonight a gala at the National Theater to mark the 35th anniversary of the CDR.

— The Government of the Federal Republic of Yugoslavia, comprised of Serbia and Montenegro, has asked the UN Security Council to make NATO stop its attacks on Bosnian Serb positions, which endanger efforts to find a solution to the war in Balkans.

ANPP Session Closing Highlights for 5 Sep **PA0809151395**

[FBIS Editorial Report] Havana Tele Rebelde Network in Spanish at 2300 GMT on 6 September, during the regularly scheduled "This Very Day" program, broadcasts recorded highlights of the closing session of the National Assembly of the People's Government (ANPP) in Havana on 5 September.

ANPP President Ricardo Alarcon says: "I have a message from Comrade Fidel Castro Ruz, president of the Council of State, on the law-decrees and accords that the organization sponsored during the period beginning 30 November 1994. You have information and details about those law-decrees and accords. Deputies who wish to comment on this have the floor." After a brief pause, Alarcon continues: "If there are no comments, I will now proceed with the vote on the Council of State law-decrees and accords. Those in favor please indicate so. Is there any vote against this? Any abstention? That is not the case. Therefore, the referent Council of State law-decrees and accords have been ratified. We will now, finally, discuss the issues that I raised at the opening of this session. ANPP Secretary Comrade Ernesto Suarez Mendez has the floor. He may talk about some movements to comprise permanent committees and proposals dealing with the creation of new parliamentary friendship groups."

Suarez says the health committee's situation is most significant because "Comrade Carlos Dotres, who was committee chairman, was appointed to a government post that conflicts with his duties as committee chairman. Aside from being ANPP Health Committee chairman, the comrade was chairman of the Latin American Parliament's Health Committee." He suggests that "Dotres be released from this responsibility" and that "Comrade Ernesto De la Torre be appointed chairman of the ANPP Health Committee" and "Comrade Ramon Crespo be appointed chairman of the Latin American Parliament's Health Committee." He also refers to other proposals for the appointment of various ANPP comrades. They all vote and approve the proposals. Suarez finally mentions the creation of friendship groups with the SRV, Chile, Cape Verde, Burkina Faso, Poland, Paraguay, and Cote d'Ivoire. Deputies approve the proposal.

Alarcon then says: "Comrades, we have reviewed points on today's agenda for the session. Consequently, we approach the moment when we will close the period of sessions. Before we do this, I would like you to allow me to say a few words, above all to state my recognition to all of you for the cooperation, efforts, dedication you have given to the analysis of issues that were discussed during our session — both the last one we have just discussed and the first one, which is so important for the country, meaning the foreign investment law."

He mentions the aquaculture program, which involved the efforts of many sectors of the population, including people's councils and territorial assemblies.

Alarcon then refers to the debates and consultations carried out in recent months and weeks to draft the foreign investment law. He says: "All this serves to remind and reassert the validity and merit of our truly democratic system. As long as democracy means a government for the people, this country has no lesson to learn from anyone regarding democracy. I say this because there are still some people out there who occasionally try to give Cuba lessons or establish prerequisites for their treatment of Cuba, or the position they are capable of assuming, regarding the problems our country faces and its great problem, meaning the North American imperialism prolonged pretense of subjugating our people. They pretend to use excuses about an alleged democratization, that is what those critics pretend they would try to assume, ignoring overwhelming realities our people can show them."

"We discussed the foreign investment law in a serious, honest, strict, and intense way because we knew that the most essential, the most important part of the imperialist strategy against our country is in connection with this

topic in particular, in connection with the issue of foreign investments in Cuba. Therefore, the debate, the collective reflection we carried out demanded a high sense of responsibility from all of us, a high sense of commitment with the people and their battle — difficult, complex, harsh — against the strongest powers on the planet. We were capable of doing this and we concluded with a law that may serve to attract foreign capital, a law that modernizes our legislation, that updates it, that puts it in harmony with the most advanced laws, the most universal on this issue, that simplifies procedures, that clarifies things, while being a law that is based on our firm determination to protect our national independence and sovereignty, to protect the rights and goals these people have reached, have kept, and — let there be no doubt — will be capable of saving, protecting, developing, and even of achieving progress with them in the future."

Alarcon reviews Fidel Castro's comments on the new school year and the fact it is under way despite the crisis. He emphasizes that no school has been closed down, no student has been left out, and no teacher has been dismissed.

Alarcon then refers to a recent front-page report in the NEW YORK TIMES on the increasing number of businessmen who, in one way or another, complain to the U.S. Government about the blockade of Cuba and the opportunities they are missing as a result of a policy that is "reprehensible for many reasons." He also mentions another front-page article, this one dealing with the increasing number of people needing medical insurance in the United States. He points out that this is one service the Cuban people have guaranteed.

Turning to the 4 September session, he says: "Yesterday, we discussed in a thorough and, in my opinion, serious way the issue of Cubans, or people of Cuban origin, living abroad. Various comrades rightfully said that, first of all, these persons cannot invest in their homeland because the blockade forbids it. To do so or to try to do so would entail very high fines and even prison terms. These would increase very much if the new legislation being studied by the U.S. Congress is approved.

"Likewise, it was rightfully said that these persons, or at least many of these persons, are not thinking about coming to invest in Cuba. Obviously, I am not talking about those who comprise the immigrant community and who, as Alfredo Guevara and other comrades mentioned, we cannot consider our enemies or estranged from their homeland. In fact, they maintain their patriotism and Cuban spirit beyond our borders despite the great risks involved, however, they are not all powerful and rich. The immigrant community

includes many people, as Lazaro recalled, who live below the poverty level, many who are among the 43 million without medical protection. Many of them are of Cuban origin. But there is a minority group, people with resources, who have no intention of investing in Cuba, in the remote case that the U.S. legislation may allow it. What is more, they are at the center, exerting the greatest pressure, precisely to maintain and reinforce the blockade.

"The ANPP session also coincides with the resumption of the U.S. legislative branch's activities where, it is presumed, the famous Helms-Burton bill may be voted on at a given moment. What I have here reflects the attitude, the task in which those who left — the former exploiters, the former owners who usurped their workers' sweat, efforts, and sacrifices — are involved. This is a warning published in THE WALL STREET JOURNAL, in this case, but they also published in other media throughout the world a warning to all the investors in Cuba. The first paragraph of the announcement refers to what we are doing here, i.e. that the Cuban Government is advocating foreign investment in various sectors of the economy. They say: Danger! When the state of law is reinstated in Cuba, the legitimate owners of those properties will exercise their right to recover them to the detriment of those who invest in these properties. Who signs this? The Association of Cuban Landowners, the Association of Cuban Tenant Farmers, the Association of Cuban Cattlemen, former owners of the mines and oil sectors, the tobacco harvesters, and, well, the bankers.

"These people are not thinking about investing; they are thinking about cancelling investments, because there was also talk about the Cubans living in Cuba. How many tens of thousands of peasants, whether on an individual basis or in cooperatives, would no longer be able to invest as they currently do in Cuba — as Comrade Fidel explained — if they returned to the old times, if they were again evicted by the Rural Guard, as it would have to be done if their lands returned to the landowners' hands. That is what they are saying! According to them, what will happen, what they plan will happen is the resumption, the return to order, to the state of the law, to use their own words. In other words, the state of the law of the privileged, the situation of what some people superficially call democracy although it is plutocracy — the government of the rich, by the rich, for the rich — rather than the true democracy of the government of the people, by the people, for the people which exists in our country and which will never again cease to exist. [applause]

"That is what these people dream about. Therefore, no one should feel the slightest concern that there can ex-

ist, in any way, the slightest possibility the exploiters who left will return to invest in the country. If they return it will be to put an end to our development policy, which includes allowing thousands upon thousands of former dispossessed Cubans to be owners nowadays. They would come to impose humiliation and exploitation in our homeland and to put an end to the country's independence. This is related to what is being reviewed or will be reviewed in this period of sessions at the U.S. Congress, the famous Helms-Burton bill. Fidel said the law would entail extending the conditions, the requisites that, according to the North Americans, should be settled or met to solve the problems between the two countries. It is no longer the old claim from the old North American owners. Instead, it would be extended to persons who were not U.S. citizens when the properties, large estates, factories, and properties they had in our country were nationalized by the revolution — meaning these persons, these small groups that publish their little advertisements in the international media."

Alarcon continues: "They are not the only ones. According to the text of that bill, it would imply that what is requested by the cattlemen, landowners, tenant farmers, tobacco harvesters, bankers, etc., etc., meaning that what they claim belonged to them must be returned to them, they must recover this. The right is also extended, according to the text of the bill, to all those who lost their properties on 1 January 1959. The agrarian reform that deprived the landowners of their estates had not occurred on that day. No bank had been nationalized in our country on that day. The properties that the revolution would nationalize later on had not been nationalized on that day. The only ones who lost something in this country on that day were the gang that escaped from this country with Batista, the dictator; the gang of assassins, torturers, embezzlers, and associates of the gang that robbed the people and many times assassinated and perpetrated all kinds of crimes against our people and left our country. Now they would receive, according to the U.S. law or the U.S. bill, the same treatment — retroactively — given to those who were U.S. citizens when their lands or factories were legally nationalized by the revolution.

"The Cuban revolution's position on this nationalization issue is well known and has remained clear and unchangeable throughout this period. We settled this issue with the others, with the other countries, the other enterprises involved, other than the U.S. enterprises. It was possible to reach honorable agreements with those countries, agreements that respected Cuba's independence, sovereignty, and laws. They allowed us to settle and completely pay up the issue of the claims for nationalizations decided by the Republic of Cuba in a sovereign

manner. This was not possible with the North Americans, and everyone knows the reason. They refused to recognize Cuba's sovereign decision, they refused to recognize Cuba's right and capability to act as it freely could and was doing. They began with the aggression, they began with the economic measures against Cuba, organizing the whole blockade policy that we face today.

"It is possible, if the U.S. Congress approves the Helms-Burton bill, that the U.S. Government will modify its position on the issue by extending it to include the alleged claim from those who sign the advertisement I mentioned, as well as the Batista henchmen, the assassins, torturers, and thieves who escaped in the early days of our homeland's revolution. I believe it is important the Congress, which may soon begin to discuss this issue, realize that if such a thing occurs, the terms of the Cuban-U.S. conflict on this issue will logically change, too. We have submitted what would be the Cuban collection the day when we manage to honorably talk and negotiate a solution to the bilateral dispute. They have their claims for their properties and Cuba has its claims for the Yankee blockade, the U.S. aggressions, what the U.S. Government policy has cost, has represented to these people. If they extend that pretense to the old Cuban exploiters and the assassins and embezzlers, they must realize that the Republic of Cuba also has to add what it can rightfully claim from the U.S. imperialism — as the only possible solution when the blockade ends and an honorable relationship exists — meaning what those exploiters, particularly those Batista henchmen and embezzlers, owe us.

"Our people have the right to present quite a number of claims and to demand from the government that would assume, with that law, the representation of the interests of all that horde of criminals, assassins, and thieves. The claims our people have against them are many: the money they stole from the Cuban state's coffers, which the revolution found practically empty — everyone knows the stories published here and over there about the big politicians, generals, and colonels who arrived in the United States with suitcases full of dollars; the theft of national property that those embezzlers perpetrated by using their government posts. It would be difficult or impossible to quantify those things because, if those people would be receiving a compensation similar to that given to the U.S. citizens...[pauses] Among other things, they filled this country with bloodshed, mourning, and sorrow. Who will compensate and how much will the U.S. Government and former exploiters compensate the peasants for the poverty they suffered in the real estate owners' times? Or who will compensate our workers for the years of wicked exploitation for

their work? Or who will compensate the widows and orphans of those 20,000 martyrs that this nation had to offer as quota of sacrifice to achieve its liberation?"

Alarcon continues: "Who will assume responsibility for those crimes and answer those tortured on the responsibility of the torturers? They would assume this responsibility should the U.S. Congress approve a bill such as this one and have the irresponsibility, impropriety, and even lack of common sense of pouring this bucket of mud over its own reputation and dignity should they turn into law that wicked plan that will, of course, never materialize. For the time being, we announce to them that we will also update our data.

"If you add to your list of demands the embezzlers, exploiters, and Batista followers, we must also draft our own list of demands with regard to those persons for the day, should that day come, when we have to sit down to hold talks on this matter. There is something very important comrades: Among the businessmen who are criticizing the blockade there are some who are concerned because, should the Helms-Burton bill be approved, among other things, U.S. citizens will have to dish out a lot of money. I am referring to U.S. taxpayers, to common citizens who pay taxes to, among other things, keep their courts operational.

"Someone estimated how many lawsuits and judicial proceedings these individuals could generate once they are given the right to do so by the Helms-Burton bill. This man estimated that this would cost the U.S. judicial branch, the U.S. courts about \$2 billion. Notice the huge responsibility that U.S. congressmen would assume if they made U.S. citizens pay at least \$2 billion to give Batista followers, embezzlers, and sleepless exploiters who are still dreaming of a return to the past the possibility to sue those who are currently using their properties, as a means to threaten and apply pressure to scare off investments from our country.

"The U.S. Congress would decide...[pauses] Mr. Ventura Novo, one of the most notorious torturers of our people, would be able to file a lawsuit to claim a small farm he had in San Antonio and sue the persons who have for many years used it. Thanks to the revolution, that farm is a home for the elderly at present. They will waste money in Mr. Butcher Ventura's suit against those elders who are living and will, of course, continue to live there."

Alarcon continues: "We, of course, have and can gather information that could be useful to anyone who is accused of [words indistinct] foreign companies. We also have, I think, a moral obligation to supply information in case the U.S. Government embarks on an irresponsible, indecorous, and dishonest policy of

promoting, in one way or another, the interests of any butcher, thief, and embezzler that this country produced in the past. We have a lot of information on those individuals, on how they acquired such properties, and we will of course be willing to facilitate such information."

The ANPP president goes on to comment on upcoming historical celebrations in September, including the centenary of the constituent assembly that drafted the third constitution of Cuba. He praises the accomplishments of those Cubans.

He adds that the ANPP can be proud of continuing the work done by those Cubans, because "we have held in-depth debates and discussions amid difficulties and under war-like conditions while feeling as though we were a part of the same war of liberation that started its journey in 1868. That journey will never stop. It will continue to accompany our people despite difficulties, obstacles, or anything that the world can throw at us. With the same spirit and conviction of our pioneers, we will achieve justice and independence. Nobody will ever be able to take this away from us. Socialism or death! Fatherland or death!"

Alarcon then declares the ANPP session closed to a round of applause.

Commentary Views New Foreign Investment Law
PA0909035495 Havana Radio Havana Cuba
in Spanish 0000 GMT 8 Sep 95

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[FBIS Translated Text] The foreign investment law approved by the Cuban National Assembly of the People's Government this week wisely combines the necessary opening, capable of facilitating access to capitals, technology, and markets, and the necessary controls of the state to prevent a neoliberal anarchy.

Such a combination was possible following a prolonged analysis process, which was indispensable for the harmonization of the country's interests and needs. That is why even though the latest version of the law reviewed by the deputies was dated 25 August 1995, the consultations that preceded it, lasted one and a half years. During the debates at the beginning of the week, it was noted that the current reforms in Cuba, including the investment law, respond to a well-drafted policy, not the result of the urgencies of the economic crisis.

Several articles of the law recently approved by the National Assembly, show their degree of liberalization by authorizing the establishment of companies with 100-percent foreign capital as well as by accelerating steps

and setting a 60-day deadline to respond to investment applications.

Likewise, the law includes the possibility of making investments in fixed assets, not included in the preceding decree-law, and provide investors with the guarantees received in other countries. One of the prerogatives include the non-expropriation of properties, except for reasons of national interest in which case a previous compensation would be given, in addition to the free transfer of profits and capital.

Cuba did not pass this law to allow foreign businessmen to act anarchically to the detriment of local Cuban citizens. The idea is to promote an orderly investment process in which businessmen are subject to the country's laws and the Cuban state must act in accordance with the agreements signed.

The Cuban state protected workers' rights when, by a government and legislative agreement, the investment law included the establishment of an appropriate tax and tariff regimen. The Cuban state, thereby guarantees an important flow of financial resources to maintain the country's achievements, which show that the country preserves the political regime supported by the majorities, socialism.

Likewise, the state can make sure that thanks to the law, no foreign businessman will be able to violate the country's labor and social security laws prevailing in Cuba, especially in the creation of employment agencies associated with foreign capital. The recently approved investment law contains enough flexibility to permit the expansion of foreign capital without allowing it to become an exclusive national authority outside the state.

'Hundreds of Thousands' Join In Defense Activities
*PA1109003295 Havana PRENSA LATINA in Spanish
1757 GMT 10 Sep 95*

[FBIS Translated Text] Havana, 10 Sep (PL) — Hundreds of thousands of Cubans participated today in Defense Day activities — the people's preparation to repel foreign aggression — dedicated to the 35th anniversary of the Committees for the Defense of the Revolution (CDR), the largest mass organization in Cuba.

Alarms went off very early in the morning through the rudimentary systems used in each street block. Later, residents held meetings in which they reviewed the progress of the revolutionary surveillance operations and the measures to counter crime.

They also went over evacuation and population protection operations.

In the main event, held in the Municipality of La Lisa in the capital, Division General Ulises Morales del Toro, first in line to replace the minister of the Revolutionary Armed Forces (FAR), turned over the CDR's 35th anniversary banner to the Blas Roca Calderio Contingent — a group of highly productive workers.

The banner was turned over to this contingent by the mass organization for the first and only time because of its contribution to society and especially because of the courage shown by its members during the August 1994 events.

With the available resources, we need our defense activities to be more efficient and to be a demonstration of the enthusiasm, creativity, initiative, and participation of the CDR masses, Rosales del Toro said.

The day included preparations for war by all the people (defense system adopted by Cuba to fight a possible aggression from abroad) and a tribute to the most outstanding CDR members.

The holding of hundreds of patriotic and military events, the assignment of duties to each person during times of war, and the cleaning and repair of various defense installations, among others, took place throughout the entire Cuban territory.

Streets and green areas were cleaned and trimmed, and the population took up the task of collecting materials, especially paper and cardboard.

Some of the primary objectives were to improve on preparation time and measures aimed at achieving full combat readiness.

Moreover, the special reconnaissance exercise conducted by the Central Army, called Watchman 95 [Vigilante 95], which was conducted in Ciego de Avila Province for two days, was described as excellent.

Units from the Armed Forces, the Interior Ministry, territorial militias, border troops, and production and defense brigades participated in more than 300 actions, including aircraft landings, reconnaissance missions of all types, and special exercises.

The exercises demonstrated the abilities of the command units in their preparation for the fulfillment of the assigned missions, and the full fighting commitment of the participating defensive structures was proven.

The cohesion of the reconnaissance units was proven in the implementation of joint and combined actions within the command of the Single Reconnaissance System of the Republic of Cuba (SUERC) [Sistema Unico de Exploracion de la Republica de Cuba].

Defense Committees Prepare Exercises

PA1009134095 *Havana Radio Rebelde Network in Spanish 1700 GMT 9 Sep 95*

[Report by Gisela Veredia in the "National Radio Newscast"]

[FBIS Translated Text] Exercises have been organized to train militiamen and members of the Committee for the Defense of the Revolution [CDR] participating in production, defense, and evacuation brigades and in other activities having to do with the defense of the fatherland.

[Begin recording of unidentified man] Since the creation of the CDR's, they have represented a defense for the Revolution and for ourselves, because we protect one another. [end recording]

National Defense Day Sunday will be dedicated in honor of those people who have worked, work, and will continue working in defense of the revolution.

[Begin recording of a second unidentified man] The CDR's have always been a vanguard because their task is revolutionary guard. Defense has always been a main task.

[Begin recording] [Unidentified woman] I never miss CDR watch duties because defense is always foremost.

[Unidentified man] This work is very good because we take care of city blocks and this serves to defend the country. [end recording]

Navy Captain Juan Vina Sosa, members of the CDR National Secretariat also comments on the day dedicated to paying homage to the organization, on its 35th anniversary.

[Begin Vina Sosa recording] This National Defense Day, since it has been dedicated to the 35th anniversary of the CDR's, must have much political and ideologic weight. I think that as Division General Ulises Rosales del Toro says in a letter, this is a suitable moment for the CDR's to analyze their defense activities and their work.

We hope that the first activity the CDR's throughout the country will carry out after the [words indistinct] will be to meet with CDR members and analyze how they fulfill their defense tasks and activities. [end recording]

National Defense Day has been dedicated to the CDR's, which will commemorate their 35th anniversary on 28 September.

Central Army Commemorates 35th CDR Anniversary

PA0909200995 *Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Sep 95*

[From the "NTV Newscast"; report by Bernardo Espinosa]

[FBIS Translated Text] The Central Army prepares a patrol exercise to commemorate the CDR's [Committees for the Defense of the Revolution] National Defense Day.

The "Vigilante 2-95-1" exercises will be the Central Army's most important event in the commemoration of the CDR's National Defense Day. More than 5,000 members of various forces will participate in the practical exercises, scheduled to begin in Ciego de Avila province on Saturday, 9 September.

[Begin unidentified speaker recording] The central objective is to orderly train and organize all members of the patrol system to improve its efficiency. [end recording]

The exercises will also serve to commemorate the 35th anniversary of the military intelligence service in the FAR [Revolutionary Armed Forces] and will mark the beginning of a new year of training in the territory.

Haiti

Protesters Reject Government's Privatization Plan

PA0809123195 *Port-au-Prince Signal FM Radio in Creole 1800 GMT 7 Sep 95*

[From the "Haiti Today" newscast]

[FBIS Translated Excerpt] A large group of demonstrators gathered outside the Saint-Jean Bosco at 1000 this morning to protest privatization plans. Representatives from about 30 grassroots organizations came from Bel-Air, the Carrefour-Feuilles area, and several other areas of the capital to protest the privatization policy of the Michel government and the executive. One of the demonstration's organizers confirmed that privatization is the issue that they are protesting, likening it to a return to slavery. The protesters believe that the national penitentiary, Port-au-Prince cemetery, and the Sources Puanes area — where they used to throw dead bodies — should be privatized instead of institutions like Teleco, Haiti Electricity, and so on. [passage omitted]

Threaten Prime Minister

PA0809173895 Port-au-Prince Radio Metropole
in French 1045 GMT 8 Sep 95

[Report by Rothschild Francois, Jr.; from "The Morning" newscast; passages within quotation marks in Creole]

[FBIS Translated Text] A total of 1,000 people demonstrated in Port-au-Prince on 7 September against privatization of state-owned enterprises. The demonstrators answered the call of several grassroots organizations, verbally attacking Haitian Prime Minister Smarck Michel, the economy and finance minister, and the Central Bank governor. Rothschild Francois, Jr., reports:

[Begin recording] [Francois] The grassroots organizations called on thousands to gather in the streets of Port-au-Prince to protest privatization. Although the turnout was less than expected, the grassroots organizations and unions connected to the state-owned enterprises got the chance to express their unhappiness with the plan. The demonstrators tried to bring their message home by comparing privatization to AIDS, describing both as death sentences for the population.

Demonstrators aimed most of their remarks at Prime Minister Smarck Michel, Finance Minister Marie-Michele Rey, and Central Bank Governor Leslie Delatour, using filthy language to disparage the government's economic policy. The demonstrators warned that they have been considering bringing out the big guns to thwart the privatization plan. Some of them have even threatened to resort to necklacing. Haitian businessmen were also within the demonstrators' firing range.

[Demonstrators, chanting] "We wonder what we have done to the bourgeois that they hate us! We wonder what we have done to the bourgeois that they hate us! The bourgeois say that we are scoundrels and that we should be pulling carts! Work means freedom! (?We do not want privatization)! The bourgeois say that we are scoundrels and that we should be pulling carts! Work means freedom! (?We do not want privatization)! Oh, Delatour [words indistinct]!"

[Demonstrator] "Anyway [words indistinct] we will not deal with you. We have told President Aristide that it is more than time for these crooked dealers in power to unmask. We reject privatization. It is a means by which these domestics [restavek] can sell the country. We will not cooperate with these domestics. They must leave office.

[Francois] "What do you mean by domestics?"

[Demonstrator] "All the ministers, Smarck Michel, Delatour who came and sold the Darbone [sugar company] [words indistinct]. We will keep an eye on them and cut them down with machetes like pigs. We will burn bourgeois with tires [words indistinct] we will mobilize so that does not happen [words indistinct] movement for Haiti's liberation. The presidency and the prime minister's office, among others, are clearly organizing to privatize. We say that we will remain with the people no matter what form — whether it be privatization or democratization — this takes. We will call on them to take to the streets and...[pauses] We must burn tires in our demonstrations against privatization. We will do it. All of the people's children died in the name of privatization in 1987. They killed our Creole pigs over privatization. We reject privatization. We will burn them if they privatize.

[Demonstrators, chanting] "I will tie them up! I will tie them up!"

[Francois] Organizers said that they were satisfied with the demonstration, describing it as the first step of a broad movement to derail the privatization train. Leaders of the grassroots organizations are calling for the government's dismissal and plan to gather at Port-au-Prince airport on 15 September — the date that Prime Minister Smarck Michel is scheduled to return to Haiti.

[Unidentified speaker] "The organizers came to this event today without violence. Nothing bad happened. They must stop saying that people are demonstrating, that people are making disorder. If it happens that at a certain moment the people let the thing degenerate and that other people use necklacing...[pauses] We know that there are people in government who can use these things and then charge us — that is, grassroots organizations — with them. They are used to doing that. They always accuse grassroots organizations. We have not come here for that. We have come to reject privatization and the rope with which the IMF wants to strangle the country and the people. This problem of the high cost of living must be solved. We do not want privatization. We will head for the airport. We invite everyone to take to the streets. They will be quick to reboard the very plane that they arrive on 15 September." [end recording]

Reject Union Officials' Dismissal

PA0809202995 Port-au-Prince Radio Metropole
in Creole 1045 GMT 8 Sep 95

[Report by Jean-Claude Larousse, in Cap-Haitien; from "The Morning" newscast]

[FBIS Translated Excerpt] Several dozen people in Cap-Haitien demonstrated against plans to privatize some of

Haiti's state-owned enterprises. The three union leaders in Cap-Haitien affiliated with Haiti Electricity who called the demonstration — including Union President Edouard Bastiste, Jr.; Edner Baker; and Sylvio Pierre — have been dismissed. The demonstrators, equipped with drums, placards, and bamboo musical instruments, said a lot of bad things about Prime Minister Smarck Michel and Economy and Finance Minister Marie-Michele Rey. The demonstrators, with the National Peoples Assembly's support, demanded that the dismissed union employees be reinstated. [passage omitted]

Legislative Chief: No Privatization Plans Prior to Assembly

PA0809144695 Port-au-Prince Signal FM Radio
in French 1030 GMT 7 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Excerpt] The National Assembly president has come out against privatization in the run-up to the next legislative session. National Assembly President Senator Firmin Jean-Louis has told Signal FM that the Haitian people can be assured that no state-owned institution will be privatized prior to the 46th legislative session. Jean-Louis rejects privatization as an answer to any problems that the Haitian state may have managing state-owned enterprises. Albert Daniel reports:

[Begin recording, in Creole] [Daniel] Jean-Louis told Signal FM in an exclusive interview that the people can be assured that privatization before the 46th legislature opens is out of the question. Jean-Louis said that two or three people cannot just decide to privatize state-owned institutions without a national debate. He added that privatization is not the only answer to any problems that the public services may face in carrying out their duties. The senator feels that there are other measures that the authorities can take to ensure that state-owned enterprises are profitable.

[Jean-Louis] Some thought certainly should go into the decision to privatize, privatize state-owned assets, privatize state-owned enterprises. We must tread with caution with regard to this question. This question cannot be treated in an office or a room or at a meeting between a few people. It is an issue of national importance that all of the people must consider. We must be able to justify any decision thoroughly before the Haitian people. We must consider other ways of managing state-owned enterprises before opting for privatization. [passage omitted]

[Daniel] Does parliament have to approve this?

[Jean-Louis] Absolutely. Any plans to privatize any state-owned enterprise that allegedly must be privatized

— if privatization is carried out — must be reported to parliament for a number of reasons. [passage omitted]

[Daniel] Although Jean-Louis denied rumors that he plans to run for president, he did say that he is prepared to do so if the people so wish it. [passage omitted] [end recording]

Telecommunications Official Rejects Privatization Measures

PA0809210295 Port-au-Prince Signal FM Radio
in French 1030 GMT 8 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Text] Teleco Director General Patrick Lefebvre agrees with those protesting against privatization. He said in an interview with Signal FM that he rejects any plans to privatize Teleco and criticized his predecessors for leading Teleco to collapse:

[Begin recording, in Creole] [Lefebvre] The two containers of equipment that have already arrived will help us complete emergency work on the network. The short-term plan is to acquire enough equipment so that we can increase the number of telephone lines not only in Port-au-Prince but also in Cap-Haitien, Gonaives, Les Cayes, Hinche, and some other places.

[Correspondent] How do you feel about privatization? What can you tell the public?

[Lefebvre] I can only answer for Teleco on the privatization issue. Teleco is still here, even after having to support two governments and accommodate a number of generals' wives who came to line their pockets whenever they wanted to in the three years following the coup d'etat. We had the chance during the teachers strike...[pauses] We found the 40 million gourdes per month that the president needed to cover the teachers' pay increase. A company like this cannot do the country any good in the hands of foreigners. I believe that privatizing Teleco is not in the country's best interest. They speak of various kinds of privatization. It would not matter if we were to privatize 40 percent or more initially, for the rest would have to be privatized later. [end recording]

Ministry Faces Insurance Office, Security Service Protests

PA0809132895 Port-au-Prince Signal FM Radio
in French 1030 GMT 5 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Excerpt] National Old-Age Insurance Office [ONA] employees insist that ONA Director

General Luc Augustin be dismissed. Employees have waged a massive campaign against Augustin for the past two weeks and say that they do not intend to change their minds. They have kindly asked President Jean-Bertrand Aristide to appoint a new director general or else they will resign en masse:

[Begin recording, in Creole] [Unidentified speaker] Augustin returning as director general is out of the question. Every employee has made it clear that he does not want him and does not want to collaborate with him. His return is out of the question.

[Correspondent] What about the ongoing negotiations?

[Speaker] Hopefully, he will realize through negotiation that he is wrong. The ongoing negotiations are not meant to mislead him into thinking that they will agree that he is right. This is out of the question. We are negotiating for negotiation's sake. He (?needs) to know that there is no place for him. ONA employees have only one alternative: If they decide to keep Augustin in this post, we will resign en masse [words indistinct]. Is it fair to lose 50 people over just one? [end recording]

The social affairs minister has commented on the various problems facing her administration: In addition to the ONA problem and the strike that the Ministry's security personnel are staging, Mathilde Flamberg noted the need to supervise and train the various [word indistinct] depending directly or indirectly on the Social Affairs Ministry. [passage omitted]

Former Minister Verdieu Announces Presidential Candidacy

PA0809141595 Port-au-Prince Radio Metropole
in French 1045 GMT 7 Sep 95

[From "The Morning" newscast]

[FBIS Translated Text] Ernst Verdieu has officially announced that he will run for president in the December elections. Verdieu, the first to declare his candidacy officially, has got the people of Port-au-Prince talking about the elections. He presented his political platform and campaign slogan — Haiti is Clean, Haiti Can — on 6 September. Verdieu portrayed himself as a unifier before representatives of political parties and sympathizers of his Haiti Can [Ayiti Kapab] political movement. He explained his decision to run for president:

[Begin Verdieu recording, in Creole] I have resisted the temptation to run for I do not know how long. HAITI OBSERVATEUR has been endorsing me as the church's candidate as far back as 1985. I ignored all of them, even when they asked me to run in 1987. I turned down the request. They asked me to run in 1994 and I again said no. Why yes today? Why do I say yes? Any

thinking person can understand my fear that a storm is about to hit this country. Many people are here in the name of international aid — that is, those with the UN Mission in Haiti — and in the name of other causes. Many of those who are armed and prevent many things from happening will be building roads in a few months. If Haitians decide to begin settling scores then [words indistinct]. I would bet anyone that we would not be fighting for long. Although they allow other countries to fight, they will immediately show up here to stop any of our fighting. This would mean true occupation. [end recording]

Verdieu, social affairs minister in the Aristide-Preval government, said that he thinks that he is in a good position to become the next Haitian president and laid out his conditions for running in the electoral race. Verdieu is the resigning director of the national Caritas, a charitable organization of the Catholic Church.

West's Electoral Office President Plans To Resign

PA0809123895 Port-au-Prince Signal FM Radio
in Creole 1800 GMT 7 Sep 95

[From the "Haiti Today" newscast]

[FBIS Translated Excerpt] Reliable sources report that the president of the West's departmental electoral office [BED] plans to resign. Sources close to this office told Signal FM that Laurent Aubourg Bossuet will resign today. Bossuet says that although he does not have any problem with the provisional electoral council, there are those in the BED whose attitude toward elections he does not quite like. This is why Bossuet has decided to announce his resignation to the press today. Bossuet took office on 28 June — three days after controversial elections — replacing Jassillon Barthelemy. Barthelemy gave up the post of West BED president, located in Rue Pavee. [passage omitted]

Lavalas Partisans Kill Two Said Linked to Deputy's Death

PA0809201295 Port-au-Prince Signal FM Radio
in French 1030 GMT 5 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Text] Lavalas Political Platform [PPL] partisans in northern Haiti have killed two people allegedly involved in the death of Deputy Jean-Hebert Petit-Frere. Petit-Frere, who was elected deputy for L'Acul du Nord District under the PPL banner, died last weekend of unknown causes. The two victims — Philocles Davilma and someone known only as Chouchou — were considered Petit-Frere's political adversaries. Both were bludgeoned to death; one of

the bodies was burned. The Justice Department and the police are investigating.

[Signal FM later adds that although Petit-Frere is thought to have died following a long bout with fever

and diarrhea, his partisans claim that he died from magical spells that political adversaries — like Davilma and Chouchou — had cast over him.]

Highlights of Chilean President Frei's Visit Reported

Frei Honored by City Officials

PA0809144195 Mexico City NOTIMEX in Spanish
2155 GMT 6 Sep 95

[FBIS Translated Text] Mexico City, 6 Sep (NOTIMEX) — Chilean President Eduardo Frei stated today that he wanted the ties between Chile and Mexico to be stronger and that they had to work to get trade and culture to give them greater well-being.

After receiving the keys of Mexico City from Oscar Espinosa, the chief of the Federal District, and being declared honorary guest, Frei highlighted the cooperation that exists between Mexico City and Santiago, Chile to get their cities to be ordered, secure spaces that are socially integrated and make efficient use of their resources. The statesman considered Mexico City to be a "modern and vigorous" metropolis that had suffered the harsh sacrifices imposed by history and nature. He referred to Mexico's historic wealth, especially its Indian past, and said Chilean writers, Gabriela Mistral and Pablo Neruda, "had perceived the Mexican people's wealth as a valuable legacy to the future generations of Mexicans and Chileans."

The chief of the Federal District said Mexico and Chile share similar social and economic challenges due to their lags, which demand that they take radical actions to allow all citizens to be able to achieve development. Espinosa Villareal asserted that the government of both countries view national sovereignty as the bedrock for their voices to be respected at international forums. He considered that the current visit of the Chilean president to Mexico will result in new agreements that will allow them to advance in the economic, social, and cultural spheres. The advancements, he said, will occur in the same way that international commerce has increased, with the healthy diversification of markets established in the 22 September 1992 complementary economic agreement.

Meets With Zedillo, Officials

PA0809180795 Mexico City XEW Television Network
in Spanish 0430 GMT 8 Sep 95

[From the "24 Hours" newscast]

[FBIS Translated Text] On 7 September, Chilean President Eduardo Frei continued his second day of activities in Mexico.

In the morning, he met with Mexican and Chilean businessmen and affirmed that corruption is one of the major evils adversely affecting a country's development. Fer-

nando Ortiz Arana, Senate's Grand Commission president, and Eloy Cantu, Mexican Senate's Directorate president, later welcomed him at the Senate. At a solemn session, the Chilean president said that his country and Mexico must joint efforts to face challenges with a view to the 21st century.

In the afternoon, he met with President Ernesto Zedillo at Los Pinos presidential residence. They signed a joint declaration stating that the Chile's negotiations to join NAFTA must be used as foundations to broaden the commercial opening of the entire American continent. They also stressed their opposition to the resumption of French nuclear tests at the South Pacific Ocean.

Talks on Visit, Domestic Issues

PA0809193795 Mexico City XEW Television Network
in Spanish 0430 GMT 8 Sep 95

[Interview with President Eduardo Frei by Jacobo Zabudovsky in Mexico City; from the "24 Hours" newscast — live]

[FBIS Translated Text] [Zabudovsky] Good evening, Mr. Frei.

[Frei] Good evening. Thank you for this opportunity. You interviewed me both times I visited Mexico City. I take this opportunity to salute you on the 25th anniversary of your turning out professional and very outstanding work.

[Zabudovsky] Thank you very much. It is an honor to have you on the program. Mr. Frei, you recently saw Mexico pass through many developmental stages. You arrived in a Mexico that is struggling to overcome problems that only cropped up recently. Given the vast geographic distance between Chile and Mexico, is what you are finding that far removed from what you expected?

[Frei] I am largely finding what I had expected. Fortunately, I have maintained a very profound and special relationship with the president and authorities over the last few years. We have worked together on many issues. We have found that people are truly making a major effort to overcome these difficult times. Evidently, these are difficult times. The most important thing is that we, Latin Americans, have learned our lessons and know that there is only one path to follow — that is, the path to work, effort, domestic savings, and having projects and mid- and long-term continuous political visions. The processes are irreversible: Economic opening, integration, and the fight against poverty are irreversible. These are concerns that we all share and that somehow lead the way in the efforts that each country makes to develop itself and advance.

[Zabludovsky] Mr. President, what did you and President Zedillo discuss?

[Frei] The most important thing was that we reached major political agreement on a wide range of issues. We are expanding on the relations that Chile and Mexico have maintained for a long time. We participate in more than 60 joint trade, educational and technological, and environmental projects. The richness of our relations is reflected in these agreements. They will allow us to share our investments, work and struggle against poverty, gain experience from unity, work together, and present a really balanced and integrated vision of our peoples to this global community. We agreed on this matter and are working extraordinarily well in the international arena. We want to work toward our peoples' development within a framework of peace and justice.

[Zabludovsky] President Frei, Chile has proved a model of development and stability over the last two decades. Is there anything that could jeopardize this stability?

[Frei] Seriously, the answer is no. We have learned from history and have left the past behind. Our country withstood major pain and suffering because we lacked the ability to understand and did not have the ability to seek major national agreements. We have been doing this now in many areas, both economic and social. However, we still lack reconciliation. This is why I proposed to the country a few days ago a plan to definitely reconcile ourselves. Chileans today still believe we have failed to reconcile ourselves. This is why we must advance; we cannot remain slaves to the past. This reconciliatory proposal has found vast support among Chile's public and major sectors. There will always be extremists from one side or the other who refuse to seek this agreement and this reconciliation, however, the vast majority of Chileans want to reconcile. Those of us who are responsible have undertaken this task. We hope the Chilean political class will rise to the occasion. We have a historic opportunity, as never before, to overcome underdevelopment. We need large political, economic, and social agreements to do this, which we will reach and which we are already reaching.

[Zabludovsky] Mr. President, I cannot help but think of General Pinochet in this reconciliation effort. How does he feel about reconciliation?

[Frei] Reconciliation is basically a personal choice. Reconciliation does not come about through laws or decrees. Reconciliation comes about when people decide to recognize the difficulties and mistakes and to look toward the future. We all must seek major agreements and a major consensus. My call has been for all Chileans to

do so without exception. Everyone — regardless of his position, his institution, his place — must work toward the reconciliation that we are destined to achieve.

[Zabludovsky] Mr. President, how can we ensure that the move toward economic integration in the Americas — especially with regard to entry into NAFTA — encompasses aid to the large and needy masses, to those living in abject poverty, to the poor?

[Frei] It is quite simple. Chile exports 30-40 percent of what it produces. Many people rely on export business to provide them with jobs and income. We must conclude after carefully assessing the global community and considering the integration of our economies that we must complement each another through these integrating mechanisms and seek mutual investments, technological contributions, better paying jobs, and access to new markets. We do all this, basically, with integration and international trade, which in the end translates into improved living standards. We are not just looking for agreements involving larger markets or to be number one competitively. We truly want to improve the living standards of our people through foreign trade and integration.

[Zabludovsky] Mr. President, there is no one solution to everyone's problems. Each country has its own problems and must find its own solutions. However, if you could recommend or suggest something to Mexico, what would you suggest?

[Frei] Three things: work, work, work. There are no magic formulas. Insist on politics, not having a fiscal deficit, not accepting speculative capital, working toward domestic savings and investments, and seeking large national agreements on all issues. The causes of conflict are easy to recreate.

Greatness evolves when we are able to agree on major national issues and look beyond them in a long-term fashion. This is what we are doing in Chile; this is what I am assuming as president. It is not a prescription; it is not a miracle. It is working hard toward the unity of the country and toward meeting national interests. I believe this is what the country accepts, and this is where the greatness of Chile lies.

After long years of efforts, we are finally finding one another and agreeing. Those who do not want reconciliation will be left in darkness.

[Zabludovsky] Mr. President, in your talks with Mr. Zedillo, did you agree to meet again at a bilateral level and to advance a little bit more in the economic, social, and cultural rapprochement between the two peoples?

[Frei] We have reached very major agreements. We believe that Chile and Mexico could set an example on this matter. This is why, as I was saying, in these 60 agreements and joint projects encompassing all fields we have, we will keep working with businessmen, professionals, and artists. The governments trigger the opportunity, the climate, and the framework to ensure common people and civilian society in our countries will make that effort. We will continue to work on this. We will meet in Bariloche soon; then we will meet at the United Nations. We will also meet when President Zedillo goes to Chile, where we will welcome him as we were welcomed here. Well, not as we were welcomed here, because it will be difficult to match. The truth is I was welcomed in this country in a truly amazing fashion. We hope to welcome Zedillo as he deserves to be welcomed as the president of Mexico because of what he personally represents and because of that deep friendship between our peoples.

[Zabludovsky] Mr. President, would you like to add something else?

[Frei] I want to congratulate you because spending 25 years in this activity is not an easy job. I want to thank you for your confidence; you have always welcomed me to your programs and your news. I could not leave Mexico without talking to you.

[Zabludovsky] Thank you very much. It is an honor, I repeat, to have you in this program. Thank you. Good night.

[Frei] Good night. Thank you very much.

Signs Accords With Zedillo

PA1009155895 Mexico City NOTIMEX in Spanish
2123 GMT 8 Sep 95

[FBIS Translated Text] Monterrey, 8 Sep (NOTIMEX) — Chilean President Eduardo Frei said here today Latin American countries must understand development can only occur with the framework of a close cooperation between the public and private sectors.

Upon offering a magisterial conference titled "Latin America's Current Challenges," the Chilean president said it is necessary to cast off the burden of a cold war ideology, which rendered irreconcilable the government's and businessmen's actions.

For the sake of generating more jobs and better quality for the Latin Americans, "all of us, together, in close cooperation, must make possible the achievement of a nation's goals," Frei commented in this city of northern Nuevo Leon State.

Addressing approximately 2,000 students and academics from the Monterrey Technological and Higher Studies Institute (ITESM), the president said "Latin America is no longer caught in the dilemmas of a cold war."

"Today our nations can seek their own roads to progress with more freedom, without the heavy burden of an ideology and heart-rending options," he added.

Frei considered that all the countries advance "although at different rhythms and speeds," in the struggle against excessive inflation, heavy external debts, and severe fiscal deficits.

In his last day of an official visit to Mexico the South American president said the public and private sectors in his country are currently preparing to face the new requirements of a globalized and open economy.

He stated that free trade can open new channels of political and cultural exchange, so "no one who cares about Latin America's future can underestimate the scope and effects of those processes."

In recent years more progress has been achieved in the actual integration of Latin American economies, so organizations like the Group of Rio must be strengthened to redouble coordination efforts and counter protectionism," he explained.

Frei considered that the separation of powers, their mutual control, the adequate representation of majorities and minorities, and free and periodical elections of authorities "are the essence of democracy and represent a safeguard of the people's dignity."

Political parties must have, in all systems, demands that allow the citizens' representation and participation, inasmuch as "an ideological speech and simple schemes are no longer sufficient to maintain a political offer," he added.

During his stay in Mexico Frei met with his counterpart, Ernesto Zedillo, with whom he signed bilateral cooperation agreements.

According to his agenda, the Chilean president met with Socrates Rizo, governor of northern Nuevo Leon State, and local businessmen on Friday.

Frei will thus conclude his three-day official visit and will begin a two-day private visit to the Mexican tourist resort of Ixtapa Zihuatanejo, in southern Guerrero State.

Zedillo: Economic Program Providing Results

PA1009142395 Mexico City LA JORNADA
in Spanish 8 Sep 95

[Received via Internet]

[FBIS Translated Text] President Ernesto Zedillo has affirmed that the Economic Stability Program and its continued implementation "will create the necessary conditions for a general economic recovery in 1996," and that the threat of a financial collapse has disappeared.

In a meeting with businessmen and investment fund administrators from various countries, the president pointed out that the initial objectives of the Economic Stability Program have been achieved with results such as a stabilization of the exchange rate, a reduction of bank interest rates (from 110 to 36 percent), a reduction of the inflation rate index (from 8 to 2 percent) in the last five months, and a trade balance which shows an improvement of more than \$14 billion.

Zedillo explained that the first signs of recovery became evident in the renewed confidence of consumers and investors. Likewise, Zedillo said "the larger sum for public investment in our budget has been programed toward the end of the current year."

A communique issued last night by the Presidency General Media Directorate said that in the meeting with foreign businessmen, Zedillo mentioned other encouraging signs for the national economy, such as the recovery of direct foreign investments, exports, and the refinancing of the funds invested in the Mexican banking system. In addition, Zedillo said that the recovery will be sustained and sustainable in proportion to the consolidation of the reforms so that internal savings will grow.

Says Financial Crisis 'Over'

PA1009234695 Mexico City NOTIMEX in Spanish
2223 GMT 9 Sep 95

[FBIS Translated Text] Mexico City, 9 Sep (NOTIMEX) — Mexican President Ernesto Zedillo today said that the worst part of his country's financial crisis is over, that the Economic Adjustment Program works, and that Mexico is on its way to recovery.

As he opened the 118th assembly of the National Ordinary Council of the Mexican Workers Confederation (CTM), the president stressed the historical alliance among workers, their organizations, and the Mexican state.

Zedillo explained that workers want results and that his government will comply by working so that each

macroeconomic achievement will translate into opportunities and improved conditions for the people.

"I am not making any promises; I am talking about actions that are being carried out, programs that are already working, and realities that point to recovery," the president said to the country's main workers union, adding that "I am talking about something you know very well, because the first results of the Economic Adjustment Program, which was implemented after the December 1994 economic crisis, have been possible thanks to your determination."

In the fight against the crisis, the labor movement and the government "have worked together, and we will move forward together. It will be impossible to defeat the crisis without the solidarity, efforts, and the desires for success of Mexican workers," President Zedillo pointed out.

"Workers and the government remain united in the resolve to move forward; we do not want a country doomed to more and more sacrifices. We want a country destined to more and more opportunities, more and more jobs," he maintained.

He also said that "workers want results, and the government I head will honor its commitments. Mexico wants results, and workers will play a significant role as they protect their sources of jobs and as they increase their production to have a better income."

The creation of jobs constitutes the economy's most important challenge, Zedillo affirmed. He pledged to support the CTM proposals promoting the adequate working of the labor markets to create job opportunities for and offer better benefits to workers.

"Today," the Mexican president underscored, "I also stress my firm commitment of guaranteeing that each achievement we make will be made along with you, with your approval, and without losing track of your benefits, because your benefits are the country's benefits."

Zedillo Announces Creation of New Credit Organization

PA1009142495 Mexico City Radio Red Network
in Spanish 0000 GMT 9 Sep 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] The president has announced the creation of a new credit organization to support the agriculture and livestock programs sector as part of a new financial culture contemplated for the agricultural sector which should be established during this administration.

The president said this is not an attempt to replace the functions of BANRURAL [National Rural Credit Bank], and he added that a meeting will be held next week between various secretariats to draft the program.

Discusses Details of Organization

PA1009234795 Mexico City Radio Red Network in Spanish 0000 GMT 9 Sep 95

[Report by Victor Manuel Suberza, from "The Night Monitor" newscast]

[FBIS Translated Text] This morning, before noon, President Ernesto Zedillo received members of the agricultural and livestock sector, including the Permanent Agrarian Congress [CAP], to mention one of the organizations present. In this private meeting held in the Vicente Guerrero reception room at Los Pinos presidential residence, the president made an announcement regarding the continuation during the current six-year period of the so-called intersecretariat mixed commission to make sure it becomes an organization that will follow-up on all actions implemented in the agriculture and livestock sector. The president said that the moment had arrived to give political definition to a national policy on agriculture and livestock issues.

Regarding this decision, the CAP, whose activities are coordinated by Juan Leiva Mendivil, said this was the first time that the situation of the rural areas is being viewed as a government issue.

Zedillo said that his administration is seeking change for the rural areas in our country. In this meeting, the president insisted on the need to establish a new system to finance agricultural and livestock activities, although he recognized this would be no easy task.

[Begin Zedillo recording] We know that this will not be an easy task. But we also know that it is fundamental for the future of the Mexican rural areas. [end recording]

It should be noted that this part of my report is based on Official Communiqué No. 452 issued by the Presidency General Media Directorate.

However, after the meeting, we, reporters, were alertly watching door number one of the Los Pinos presidential residence where we met with National Agricultural Council [CNA] President Jorge Mason, who described to us part of what occurred during the meeting with the president. According to Jorge Mason, a new financial organization devoted to providing loans for the rural areas will be created shortly, and this announcement, according to Mason, was made by the president during this hospitality meeting. The president also pointed out that this does not mean that the new institution that will be created to support the financial system in agricultural

and livestock matters in our country will replace the functions of Banrural [National Rural Credit Bank], but will form part of a new culture as announced by the president at the beginning of his administration. Next week, according to Jorge Mason, a number of government secretaries will meet to design the way in which this new institution dedicated to financing activities in the rural areas in our country will operate.

Cesar Gonzalez Quiroga, president of the National Confederation of Cattlemen, said that the program of aid to debtors is only a palliative for the members of his sector. The cattleman estimated that the size of the debt in his sector is approximately 18 billion new pesos, of which 11 billion are due to interests.

This is what occurred today in the Los Pinos presidential residence. I have given you two versions: the official version and the version given by CNA President Jorge Mason who attended the meeting.

Government, EZLN Agree on Procedures for Peace Talks

PA1009192695 Mexico City NOTIMEX in Spanish 0147 GMT 9 Sep 95

[FBIS Translated Text] San Andres Larrainzar, 8 Sep (NOTIMEX) — The Mexican Government and the Zapatist National Liberation Army (EZLN) today agreed on the procedures to regulate the peace talks, which they were discussing since April, according to sources close to the negotiations.

The agreement was reached after covering the general agenda, which was defined by the parties on 9 April when the peace dialogue to solve the Chiapas conflict began in San Andres Larrainzar, in this southern state.

The sources said the procedures include establishing public working tables to discuss the main issues and problems that triggered the Chiapas conflict on 1 January 1994.

The agreement was reached on the fourth day of the sixth round of peace talks, which had begun five months ago in San Andres Larrainzar, a small town located approximately 1,100 km southeast of Mexico City.

The sources noted that the regulations agreed upon also determined that there will be no limit in the number of guests and advisers to participate at the working tables. The issues to be discussed are Indigenous Rights and Culture, Social Welfare and Development, and Justice and Democracy.

The adopted mechanism means that no participant or organization will be vetoed. Additionally, national and

foreign news media representatives will have access to the discussions at the working tables.

The government and the EZLN also decided not to limit the discussions at the tables, but agreed that the results should be ready before 15 December, when the Chamber of Deputies will end its regular sessions.

That decision is aimed at reforming or promoting laws in Congress necessary to execute resolutions adopted at the working tables, which subsequently be debated in a plenary session for its implementation.

The first working table to be installed will tackle Indigenous Rights and Culture. The place and date are yet to be determined by the conflicting parties that have maintained a virtual truce since 11 January 1994.

The National Mediation Commission (Conai) must coordinate and preside over the debates at the tables, while, the Harmony and Peace Commission (Cocopa, comprised by legislators) will be responsible for the logistics.

The sources said the government delegation headed by Marco Antonio Bernal Gutierrez, and the EZLN are discussing the possible date and location of the first working table. They added that the first working table could be installed next Friday in San Andres Larrainzar, Guadalupe Tepeyac, or Ejido San Miguel, all located in Chiapas.

According to members of Cocopa and the government delegation there is the possibility of establishing the first working table in San Andres Larrainzar to take advantage of the security infrastructure and logistics used during the peace talks.

The table on Democracy and Justice could be installed on 12 October somewhere in Altos de Chiapas region, where the EZLN emerged in 1994 presenting demands for the indigenous population.

Since the agenda agreed by the government and the EZLN has been totally covered. The format used for the talks so far will no longer be used.

Consequently, after this sixth round of talks, the peace process in Chiapas will continue by means of the working tables, where all sectors of the Mexican society will be able to participate without any restrictions.

Foreign Relations Secretary Reports on Trade

PA0909172495 Mexico City LA JORNADA
in Spanish 7 Sep 95

[Received via Internet]

[FBIS Translated Text] Foreign Relations Secretary Jose Angel Gurria has affirmed that the opening of trade

and the signing of free trade agreements have turned Mexico into the Latin American country with the largest trade volume in the area. He noted that during the past year, the country's "trade possibilities" increased by 35 percent.

In dedicating the Ninth Meeting of the Work Group on Science and Technology of the Asia-Pacific Economic Cooperation [APEC], the secretary urged the international community to contribute to, and complement, the "internal effort" Mexico is making to push on, especially in the fields of science and technology, he said.

Gurria said Mexico's efforts to have links with the rest of the world "are yielding results." He said that with NAFTA going in effect in January 1994, U.S. commercial flow increased approximately 20 or 25 percent, and Canada and Mexico "are sort of rediscovering each other."

He commented that in the case of Chile, which was the first country with which a free trade agreement was signed in four years, trade has increased 300 percent.

Gurria briefly reported also on trade agreements Mexico is promoting with other Latin American nations.

He said that as part of its market-diversification process, Mexico is seeing its incorporation to APEC with a new political perspective and with hopes.

We Mexicans, he told 53 delegates from 15 countries of the Pacific basin, "are prepared to make a big effort to improve the standard of living of the country."

He noted that the international community is being asked "to contribute with its experience so that we may march on the road of the world's most dynamic economies (the Asian)."

International Reserves Increase \$1.5 Billion

PA0909031795 Mexico City NOTIMEX in Spanish
0003 GMT 7 Sep 95

[FBIS Translated Text] Mexico City, 6 Sep (NOTIMEX) — Mexican international reserves registered an increase of \$1.530 billion by 31 August, compared to the level registered on 25 August, climbing to \$15.073 billion, it was reported here today.

In its weekly report, the (Central) Bank of Mexico [Banxico] stated that that financial institution received \$1.812 billion and disbursed \$282 million during the past week.

Out of the total amount, \$1.104 billion came from the IMF Special Draft Rights equivalent to \$1.644 billion, payment to the Banks Support Fund for \$61 million, and \$107 million from the public sector.

The disbursements were \$180 million to pay off Treasury Bonds (Tesobonos) and foreign exchange required by the federal government to cover the debt service for \$102 million.

In its financial statement, Banxico stated that IMF assistance totaled \$11.376 billion during the first eight months of the year.

During the same period, the U.S. Treasury and other foreign financial institutions gave Mexico aid for \$12.749 billion.

Although the total amount of foreign aid was \$24.125 billion, that amount was less than the payments for Tesobonos and bank credits during the January-August period, which totaled \$28.136 billion.

The monetary base, bills and coins circulating in the country, totaled 47.806 billion new pesos by 31 August, indicating an increase of 1.564 billion new pesos compared to the totals reported on 25 August.

PRD, EL Barzon, Propose Creation of Plural Committee

PA1009164295 Mexico City Radio Red Network in Spanish 0000 GMT 9 Sep 95

[Report by Rafael Acevez From "The Night Monitor" newscast]

[FBIS Translated Text] [Martin Espinoza, anchor] Let us listen to a report by Rafael Acevez regarding a PRD [Party of the Democratic Revolution] and El Barzon proposal to create a plural committee for concordance between debtors and directors of the credit institutions. Good afternoon, Rafael.

[Acevez] Good afternoon, Martin. This proposal comes three days after the initiation of the second phase of the Agreement to Immediate Support to Bank Debtors [ADE] with the signing of promissory notes by the banks' clients who have overdue loan portfolios to refinance their loans and to cease legal actions. In this regard, members of the PRD, various analysts, and debtors organizations asked for the intervention of the union congress to establish a loan payment program for overdue loans at real market prices.

During the inauguration of the "Banking and Payment Crisis: Toward an Integral Solution" conference organized by the PRD's Research Institute, PRD President Porfirio Munoz said the issue of the overdue portfolio will trigger changes in the country's internal economic policy. Munoz said that eight days after the ADE was implemented, it still does not offer an effective solution to the problem and threatens to become a national chaos

of debtors. For this reason, Munoz demanded that the union congress take charge of this issue.

On the other hand, El Barzon leader Alfonso Ramirez Cuellar [word indistinct] that the payment of overdue loans could be conciliated through a trusteeship which would eliminate undue charges and establish the real value of the portfolio. [Begin Ramirez Cuellar recording] A trusteeship in which the government, debtors, and bankers would participate and which would include a number of regulations: First, the cleaning up of the overdue loans portfolio; second, that the overdue loans portfolio's value be established at real market prices; and, third, that a number of illegal charges be eliminated, that is to say, that there be an effective cleaning up regarding the amount of the overdue loans portfolio. That a numbers of financial mechanisms be implemented; such as the sale of shares, bonds; and that the government and bankers determine, if possible, to eliminate all penalties, normal interests rates, and moratoriums; and that the debtors accept the full responsibility to pay back all capital based on a payment calendar which takes into account the economic crisis." [end recording]

[Acevez] Ramirez Cuellar said that with the slander and defamation campaign orchestrated by the Mexican Banker's Association against organizations like EL Barzon one could not reach a concerted agreement.

[Begin Ramirez Cuellar recording] Above all, this is a political program. Accompanying this program, we have witnessed an avalanche of defamation, of information whose only purpose is to discourage movements such as the El Barzon movement." [end recording]

[Acevez] In conclusion, Martin, Alfonso Ramirez Cuellar said that the mobilizations of El Barzon have not ended, and that the renegotiation which will begin of 15 September with the signing of the promissory notes with the banks will only prolong the debt, for which reason he pointed out that it would be important that this plural committee of concordance between the debtors and the banks be created to established economic and fiscal measures in tune with the economic crisis Mexico is experiencing.

Bank of Mexico Reports on Operations for 8 Months

PA1009192495 Mexico City LA JORNADA in Spanish 7 Sep 95

[Received via Internet]

[FBIS Translated Text] The Bank of Mexico yesterday reported that the Mexican Government and its Central Bank received from foreign financial institutions \$12.749 billion during the first eight months of this year

exclusively for exchange stabilization purposes. Of this amount, \$10.5 billion were recorded as direct federal government debt and \$2.249 billion as a Bank of Mexico obligation.

The Central Bank reported that the debt with IMF as of 31 August amounted to \$14.667 while that with "foreign financial institutions" amounted to \$2.2481 billion. The bank added that international reserves as of the same date amounted to \$15.073 billion.

The bank also reported that the Federal Government's internal debt, represented by securities in the hands of the public, amounts to 145.174 billion new pesos, a figure that represents a 38 percent reduction of the balance at 31 December 1994. This reduction of 89.432 billion new pesos is due mostly to the amortization of Treasury Bonds [Tesobonos] from January to August.

The Central Bank reports that during this time \$26.033 billion were used to pledge Tesobonos issuances. At the exchange rate of 6.1 new pesos to the dollar, this amount is equivalent to 158.8013 billion new pesos, which in turn is 77.56-percent higher than the government's internal debt reduction.

The bank went on to report that the outstanding Tesobonos at the close of August amounted to \$3.173 billion. The total of the rest of the instruments in circulation and representing the internal debt continued to rise, however. Treasury Certificates [Cetes] in public hands amounted to 55.922 billion new pesos. This is 35.80 percent higher than the December 1994 figure. The total of Development Bonds [Bondes] in circulation nearly tripled during the period of time under consideration. This total increased from 8.290 billion new pesos at the close of 1994 to 39.287 billion new pesos as of August this year and represents an increase of 32.65 percent. Adjustable Bonds [Ajustabonos] increased from 29.617 billion new pesos at the close of 1994 to 39.287 billion new pesos as of August this year. This represents an increase of 32.65 percent.

In correspondence with the general decrease in the yield of government securities, referent bank rates this week increased up to 2.51 percent points and the Mexican Stock Exchange recorded a marginal index change. The so-called Average Inter-Bank Interest Rate [TIIP] this week was set at 36.0893 annual percent. This means a reduction of 2.4949 percent points. In addition, the Equilibrium Inter-Bank Interest Rate [TIIE] dropped by 2.5135 units and settled at 36.1005 annual interest rate. These two constitute the accepted banking reference for determining loan prices.

Stock exchange activities were marked by continual downward curves in the Stock Price Index. This drop

was accredited to a drop in value of Mexican securities in the U.S. market. The drop, as far as 0.99 percent, reversed at the end of the session, when the leading indicator marked an average rise of 0.11 percent for a total of 2.6102 units, or 2.84 points above yesterday's figure.

It was also reported that 92.9 million shares of 88 radio stations were exchanged. The price of 46 of these dropped, that of 23 rose, and that of 19 remained the same, although they changed hands. The total of operations reached 62.2 million new pesos and only two of the sectorial indexes dropped. That of extracting enterprises dropped by 0.76 percent and that of the construction industry dropped by 0.11 percent. The positions of the remaining five improved marginally.

In the exchange market, the dollar experienced a slight demand. This provoked a 0.03 parity rise in relation to the local currency. In wholesale operations, the dollar sold for 6.26 new pesos, the Bank of Mexico reported. At tellers' windows, the parity settled at 6.03 new pesos to the dollar buying and 6.33 new pesos selling.

Report on Production, Inflation, Basic Basket Figures

PA1009144095 Mexico City Radio Red Network in Spanish 0000 GMT 8 Sep 95

[Report by anchorman Martin Espinoza and journalist Antonio Guzman in Mexico City for "The Night Monitor" newscast — live]

[FBIS Translated Text] [Espinoza] The Finance Secretariat has reported that industrial activities in Mexico, meaning everything that involves the production sectors which deal with construction, metallurgy, and everything that deals with one of the branches in this broad list of industrial activities in the country, suffered a 6.2-percent drop during the first half of 1995. Antonio Guzman has the information. We hear you, Antonio.

[Guzman] Thank you, Martin, and good evening. Good evening to our listeners. The Finance Secretariat has reported a 6.2-percent drop in the country's industrial activities during the first half of this year, compared with the level registered during the same period last year. In its report, the Finance Secretariat states that the highest drop was registered in the construction industry, where it registered a 15.8-percent drop, above all because public works were reduced.

The drop registered in the manufacture industry was an overall 5.4 percent in five of its nine divisions, above all in the textile and lumber industry — 16 percent and 13 percent, respectively.

Regarding the basic metals, newsprint, and chemicals divisions, as well as the oil and derivatives divisions, they attained positive results with 9 percent and 4.5 percent.

Lastly, Martin, the food and beverages industries registered no changes; the mining industry registered a .5-percent drop; the gas, electricity, and water generation registered 4 percent. Martin, this is what the Finance Secretariat reported regarding industrial activities.

I report that, according to the Bank of Mexico [Banxico], the lowest increase in monthly prices this year was registered in August with a 1.66 percent inflation rate. Thus, the organization states in its report on the consumer price index, the accumulated increase during the first eight months this year totals 37.88 percent.

Martin, this means that inflation for the last quarter this year should not be higher than 4.12 percent to fulfill the official prediction of 42 percent. Secofi's [Commerce and Industrial Development Secretariat] Herminio Blanco has insisted time and again that this goal will be achieved.

To conclude, Martin, I report the Banxico has also revealed that the increase in basic basket products' prices during August was 1.41 percent.

Energy Secretary Announces Gas Market Deregulation

PA0909172795 Mexico City Radio RED Network in Spanish 0000 GMT 7 Sep 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] [Announcer] Let us report on what Energy Secretary Ignacio Pichardo Pagazo said on 6 September regarding the federal government's policies to deregulate the gas market. Pichardo pointed out that all this is part of an overall fuel policy the current government is promoting. Antonio Guzman attended a news conference in which Secretary Pichardo spoke and has the story. Good afternoon, Antonio:

[Guzman] Good afternoon, Martin and our listeners. The energy secretary opened the first national congress called Energy in Mexico the Mexican Association for Energy Conservation [Asociacion Mexicana para la Economia Energetica] held here at the National Oil Institute. At the opening act, Pichardo said that the initiative to deregulate the gas market, as you already reported, does not respond to conditions arising from the current situation or to alleged international commitments. The official insisted that this measure must be part of the country's overall fuel policies, which the current administration is promoting. This is what he said:

[Begin Pichardo recording, in progress] ...is based on technical and economic antecedents alien to conditions arising from the situation or to alleged international commitments. It must be understood as part of the country's overall fuel policies, starting from which, a vast program to develop the gas industry has been conceived. [end recording]

[Guzman] During this act, the government official underscored that, within the limits of the law, the participation of the private sectors in areas related to transportation and gas distribution and commercialization will be increased. This is an initiative that was already approved, but its specific law and regulations are about to be approved. Later on in his speech, he indicated that the opening of this market responds to the need to assure the availability and supply of gas and, above all, to support efficiency and competitiveness for consumers.

[Begin Pichardo recording] The opening of this market responds to the need to assure the availability and supply of gas, to make the energy market dynamic, and to support efficiency and competitiveness for consumers. [end recording]

[Guzman] After the opening act ended, Pichardo accepted to answer a few questions. He affirmed that Mexican Petroleum, Inc. [Pemex] will again encourage the efficient use of energy and reported that 45 percent of the energy being consumed in Mexico is used to generate energy itself. We are talking about that fact that the Federal Electricity Commission is one of the main consumers of energy. This is why, the secretary maintained, any effort made to save energy will have a multiplying effect. He also said that this decision to deregulate the gas market does not jeopardize the domestic gas supply, adding that Pemex will be increasing its natural gas production this year and next year. So, there will be opportunities to export, albeit in small quantities at the beginning, this fuel once the demand of the domestic market is met.

In addition, he explained that Pemex will directly export this product under the new regulations regarding a free gas market, because, according to him, it will be very difficult for a private businessman to export gas since Pemex will continue to produce and tap this natural resource. A private gas distributor will have to purchase gas from Pemex. This is why he will be unable to charge the prices Pemex could charge in a foreign market.

I repeat: Once the demand of the domestic market is met, gas will be exported in small quantities. Pichardo forecasted these exports could start next year.

El Salvador

Calderon Sol on Starting Talks With Mexico on Free Trade

PA0909032395 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 7 Sep 95

[Report by Carlos Ramos from the "YSU Radio News" newscast]

[FBIS Translated Excerpt] El Salvador has indicated an interest in resuming talks with Mexico on the signing of a free trade agreement. To achieve this goal, the country is studying the possibility of initiating the process, Salvadoran President Armando Calderon Sol has said. The president has said a future proposal in this regard will be made as a Central American bloc:

[Begin Calderon recording] We are willing to initiate or reinstate the talks we had already begun with Mexico, but we believe it is advisable for the talks to be conducted as a Central American bloc. We hope we can conduct this negotiation with Mexico as a bloc, because we are commercially integrated in Central America. [end recording] [passage omitted]

Calderon Sol Demands Respect for Salvadorans in Honduras

PA1109041095 San Salvador EL DIARIO DE HOY
in Spanish 8 Sep 95 p 7

[FBIS Translated Text] President Armando Calderon Sol yesterday demanded respect for the dignity and rights of Salvadorans residing in the formerly disputed areas that are now Honduran territory, and that they be given dual nationality.

"In reality, we want absolute respect for Salvadorans, their land, their positions, and status in the areas defined in the ruling, which were in the formerly disputed areas," he stressed.

According to Calderon Sol, the Honduras-El Salvador Binational Juridical Commission, which will meet this weekend in Tegucigalpa, is working to make significant progress in the border delimitation.

Calderon Sol said that the Honduran Catholic Church's request to give dual nationality to 10,000 Salvadorans who reside at the border is "encouraging."

"It is encouraging, because it shows that sectors of the Honduran society share our position" Calderon Sol noted.

El Salvador and Honduras are in the process of delimiting the common border, in compliance with the decision announced by the International Court of Justice [ICJ] at The Hague in September 1992.

It has been estimated that after the ICJ ruling, between 10,000 and 12,000 Salvadorans are now living in Honduran territory, while between 2,000 and 3,000 Hondurans are in El Salvador.

However, the Honduran Government has repeatedly said that it will not give Salvadorans dual nationality because it is not permitted by the Constitution.

Last Monday the Honduran government rejected a request from the Honduran Catholic Church to grant dual nationality, but reiterated that it will respect the property rights of the Salvadorans who live on the border.

The Honduran Constitution bans foreigners from owning land less than 40 km from the border; therefore, the request from Tegucigalpa Archbishop Monsignor Oscar Rodriguez would help settle the conflicts at the border area.

Foreign Minister on Border Dispute With Honduras

PA1009200595 San Salvador EL DIARIO DE HOY
in Spanish 9 Sep 95 p 2

[FBIS Translated Text] Honduras' opposition on the dual nationality issue and an alleged border incident with El Salvador's policemen have provoked friction between the two governments, and this has apparently compelled the suspension of a meeting between the two countries' negotiators.

The government in Tegucigalpa protested to El Salvador for what it considered an "intolerable" raid in its territory by Salvadoran policemen, to arrest two Honduran women charged with marijuana trafficking.

The incident compounds the general annoyance prevailing among Salvadorans for the Honduran government's opposition to a dual nationality, and Vice President Enrique Borgo Bustamante aptly expressed it: "Not having a double nationality with us, their brothers, who are on the other side of the border, is senseless."

These events occur precisely when the two countries seek to solve the ownership and nationality problems that 10,000 Salvadorans face at the border, and to sponsor a demarcation.

The Salvadorans were left inside the so-called disputed border areas, meaning territories granted to Honduras by an International Court of Justice [ICJ] ruling on a century-old border dispute that even led to a war in 1969.

The Honduran government reported to El Salvador that 15 Salvadoran policemen raided the border town of San Rafael on Monday and arrested Hermelinda Erazo, 50

years, and her daughter, Maria del Carmen Hernandez, accusing them of trafficking marijuana in Chalatenango and San Salvador.

Moreover, National Civilian Police (PNC) Director Rodrigo Avila was puzzled by the reports.

"We are here to fight kidnappers not to kidnap people....this is strange," Avila said in a news conference.

Honduran Foreign Minister Delmer Urbizo Panting said Tegucigalpa will ask San Salvador to hand over the two women.

The diplomat said: "We have proceeded to lodge the Honduran government's appropriate protest because we will not tolerate these situations at the border."

"The women were in Honduran territory and they (the Salvadoran policemen) violated the national territory, arrested them in our national territory, which is totally unacceptable," he added.

Meanwhile, Avila urged Honduran authorities to investigate the case before reaching "a priori" conclusions.

Avila reasserted he had issued precise instructions so the case is investigated to determine the veracity of the Honduran diplomats' statements.

The Salvadoran Foreign Ministry said it had adopted no position in this concern because it had yet to formally receive the Honduran protest.

These incidents are compounded by the annoyance prevailing among Salvadorans due to the Honduran refusal to grant dual nationality to residents of the former disputed areas.

According to legal experts familiar with the case, the difficulty in reaching agreements and the recent resignation of Enrique Ortiz Colindres, chairman of the Honduran delegation to the Honduras-El Salvador Legal Binational Commission, reveal "a toughening up" of the Honduran policy regarding the solution of border problems.

According to diplomatic sources, the resignation was apparently the result of criticism against Ortiz, because he was considered "soft."

Salvadoran Foreign Minister Ramon Gonzalez Giner said Honduras is constitutionally obligated to respect the rights of more than 10,000 Salvadorans who are now in its territory due to the ruling.

"The Honduran Constitution is quite clear — a ruling like the one from the court at The Hague prevails over any Honduran law and must be implemented," Gonzalez told the journalists.

The Honduran Magna Carta forbids foreigners from owning land less than 40 km from the border. According to the 1992 ICJ ruling, 316.8 km belong to Honduras and El Salvador was granted 137.7 km.

Gonzalez Giner said the important thing is to guarantee the rights of residents in former disputed areas, either through a dual nationality or a shared nationality.

Salvadoran President Armando Calderon Sol has personally favored granting a dual nationality. "Essentially, what we want is absolute respect for the Salvadorans, their lands, their position, and their status in the areas that were defined by the ruling and that are located within the disputed border areas," the president recently said.

The legal commissions of El Salvador and Honduras were scheduled to meet in Tegucigalpa on Monday, to continue the talks, but the official revealed they were postponed until 19 September.

Also, it was reported the Honduras-El Salvador Binational Legal Commission was scheduled to meet on 11 September in Tegucigalpa but, due to logistic reasons, the meeting was suspended and rescheduled for 19 September.

The commission had planned to establish a protocol to implement the 1992 ruling by the ICJ at The Hague.

The end of the "frictions" between residents of the Honduran and Salvadoran border zones depends on the agreement reached by the two countries' legal commissions.

Solano said: [Commission members] tried to establish a protocol during the binational commission's last meeting, to implement The Hague ruling, but it could not be completed "because the positions are too controversial."

Guatemala

Government, Guerrillas Resume Talks in Mexico

PA1109144395 Mexico City NOTIMEX in Spanish
0000 GMT 11 Sep 95

[FBIS Translated Text] Puebla, 10 Sep (NOTIMEX) — The Guatemalan Government and guerrillas resumed peace talks in this city (125 km from the Mexican capital) today with continued discussions on the agrarian situation in the Central American country. The Guatemalan Government Peace Commission and the Guatemalan National Revolutionary Unity [URNG] continued the dialogue for peace.

Guatemalan President Ramiro de Leon Carpio's presence was ruled out: It was reported on 8 September that

De Leon Carpio had left the country, apparently bound for Mexico, to meet with his country's delegation. Official representatives have denied this.

UN Representative Jean Arnault is mediating in the dialogue. Hector Rosada, president of the Guatemalan Government Peace Commission, is participating in these talks. He said that discussions on agrarian issues continue and that they hope to move onto socioeconomic topics soon. Rosada ruled out that Guatemala's electoral campaign (which will end on 12 November) will interrupt the dialogue and insisted that both sides are doing a good job, adding that both parties will meet again 26-29 September. Participating on behalf of the URNG is Commander Pablo Monsanto, who has headed the guerrilla delegation during the talks.

President Not To Allow Groups Promoting Unrest
PA0709175295 Guatemala City Teleonce Television
in Spanish 0345 GMT 4 Sep 95

[From the "Telepress" Newscast; monitored in progress]

[FBIS Translated Text] ...reaffirmed that he will not allow the public sector's organizations promoting a climate of unrest in the country as a means to exert pressure to obtain wage increases not included in the 1996 budget. The president addressed this issue after he mentioned the analysis Congress is conducting on the government's budgetary execution. An opinion will emerge from this analysis, an opinion that will include the conclusions of the Parliament's Integrity and Public Finances Commissions. According to what the head of state pointed out, the government is attentively awaiting the recommendations contained in the analysis.

[Begin recording] [De Leon] Not only the Integrity Commission, but also the Public Finance Commission must conduct this analysis. I believe it is right; I believe they will have to agree. They have two options: to approve or not to approve. I understand that certain observations, considerations [sindicaciones], and recommendations were made to the budgetary execution. However, I believe that a decision must be finally made, as I said, to approve it, with certain recommendations, or not to approve it. This is a responsibility of Congress, as far as the execution of the budget is concerned.

As for the approval of the new budget, Congress will have this major and big responsibility. I believe it will be approved. It really is a major responsibility. It is not a problem for us, because it is a budget the new government will have to execute. However, knowing the big responsibility the current Congress, which is divided in many blocs representing political parties, I am confident it will be approved in the manner on which they agree and with the changes on which the deputies

agree, especially taking the district deputies into a great deal of consideration since they are the ones who know firsthand the needs of the countryside and who know more of the budgetary priorities for social works in the countryside. By this virtue, I am confident that even prior to the elections, the deadline of which expires on 30 November [pauses] ...I believe that Congress will be approving the 1996 budget before the elections, because they cannot leave the new government with a budget from the previous year, a budget that is not adapted to the reality, especially taking into account that, next year, the new government will have many more resources than what the current government had.

[First unidentified correspondent] Why was the bureaucrats' wage increase not included in the budget?

[De Leon] Because it was not included; it has not been included yet. Four months before this government ends its term, we believe that this salary policy does not suit it. We believe it must be a responsibility for the next government, not only for the next government, but for all new authorities. When I talk about government, I am referring to state authorities; that is, I am referring to the many state organizations. It will be a responsibility for the new Congress and the new government; that is, it will be a responsibility for the executive branch and the new state authorities in general.

[Second unidentified correspondent] Are they threatening to go on strike if they fail to get a wage increase?

[De Leon] Yes, but these are not the reasons. We will see what happens, as long as it is not illegal, because this government has not allowed such actions. In fact, this government is, has always been, and will always be willing to hold talks. However, we will not allow strikes and illegal actions. [end recording]

President To Leave Country for 'Personal Reasons'
PA0909151895 Mexico City NOTIMEX in Spanish
0120 GMT 9 Sep 95

[FBIS Translated Text] Guatemala City, 8 Sep (NOTIMEX) — Guatemalan President Ramiro De Leon Carpio confirmed that today he would begin a 48-hour trip outside the country due to "personal reasons," but refused give his destination.

Minutes before his departure, De Leon Carpio acknowledged that he was leaving the country Friday but decline to say where he was heading despite insistent rumors that he was going to Mexico City or Miami, in the United States.

"Today, I am leaving for very personal reasons for 48 hours. I will be out of the country Saturday and Sunday."

De Leon Carpio said. De Leon Carpio took over the presidency on the 6th of June, 1993.

De Leon Carpio promised he would give details of his trip on his return to the capital and rejected local newspaper reports that he would meet with Mexican President Ernesto Zedillo.

He also denied rumors that he would travel to Mexico City to negotiate personally with the Guatemalan National Revolutionary Unity (URNG) commanders.

"It is only for personal reasons," De Leon Carpio reiterated, faced with the persistence of reporters.

The president assured that the National Congress was aware of his trip abroad and that the president of the congress would declared Vice President Arturo Herbruger interim president.

It is not the first time that De Leon Carpio leaves the country without revealing where he is going. He has done so on previous occasions without the media becoming aware of the fact before his departure.

Nicaragua

Army Chief Views Military Budget, Border Dispute

PA0809161895 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 5 Sep 95

[Report by Nidia Emperatriz Ruiz from the "National Newscast"; passages in italics recorded]

[FBIS Translated Text] In a simple ceremony without lengthy or boring speeches, on 2 September the Nicaraguan Army commemorated the 16th anniversary of its founding. The absence of Retired General Humberto Ortega from this ceremony was obvious.

[Army Chief Gen. Joaquin Cuadra] *Because no, because they are devoted to other activity. From the beginning...*

In this news conference, Gen. Joaquin Cuadra stated that the Army is working with the executive branch on the budget proposal for next year, so as to guarantee the normal development of the electoral process.

[Gen. Cuadra] *I am confident that next year the maturity of the political forces, the maturity of the candidates for office will permit them to lead and direct their rank and file to conduct political activities within the framework of the law.*

Some groups are apparently trying to rearm themselves in order to take advantage of the proximity of elections, to arm themselves and later negotiate with the government. Gen. Cuadra stated that in the next few days, they will have new units in the naval force, which will allow authorities to step up the struggle against drug traffick-

ing and exercise sovereignty over disputed territories, like the Archipelago of San Andres y Providencia.

[Gen. Cuadra Lacayo] *We believe that that serious problem, the dispute Nicaragua is confronting, will be resolved in the bargaining table. We believe it will be resolved through civilized manners before the corresponding courts.*

Gen. Cuadra stated in the next few days there will be changes in the Army structure. According to Cuadra, these will be normal rotational movements.

[Gen. Cuadra, broadcast in progress]...*and not political movements, based on hand picked decisions on who should be where. These rotational movements are based on the interests of the institution.*

New Political Party 'Christian Force' Formed

PA1009142195 Managua LA PRENSA in Spanish 8 Sep 95 p 22

[Article by Celso Canelo Candia]

[FBIS Translated Text] A new political party called "Christian Force" [Fuerza Cristiana] has been formed. It is presided by Agustin Lacayo Vanegas, who said this organization comprises all Christian churches (Catholic and Evangelical).

He added that this political organization is a new hope for the Nicaraguan people and that they are already getting ready to participate in the upcoming elections in 1996.

Likewise, Lacayo said Christian Force has already filed its documents at the Supreme Electoral Council [CSE], with which they have become the seventh political party waiting to be legalized.

According to their charter, the founders of the party elected the following national directorate, which will be the guiding body of the new party called "Christian Force": President Agustin Lacayo Vanegas; Vice President Eduardo Amador McCoy; Secretary General Danilo Ramirez Araica; Organization Secretary Jose Luis Aparicio Altamirano; Events Secretary Marcela del Rosario Diaz; Secretary of Social Works Bergman Marin Rugama; Finance Secretary Henderson Toby Garcia; International Relations Secretary Manuel de Jesus Gomez Briones; and Sergeant-at-Arms Jose Miguel Gonzalez Duriez.

The "Christian Force" party has the slogan: "The Hope of Nicaragua" and its emblem is a waving white flag with a shining yellow sun in the center.

Mr. Manuel Gomez Briones said the group "Christian Force's" main objective is to seek the moralization

of politics, the democratization of society, and overall property ownership [propetarizacion general] illuminated by the light of Christianity.

"Christian Force is a young party and its directorate is made up of honest, Christian people who want democracy to be institutionalized in this country," Gomez said.

He said his party intends to rescue young people from violence and drug addiction and lead them down the civic path. He also noted that Christian Force is a party that was nourished by young blood and will become a new option for those who love democracy.

Likewise, he said people should not confuse them with National Project led by Antonio Lacayo. "We are independent and we will fight all those wishing to impose a dictatorial system on us," the president of Christian Force said.

Health Minister To Leave Post To Run for Mayor

PA1109040295 Managua LA PRENSA in Spanish
9 Sep 95 pp 1, 12

[Report by Nohelia Gonzalez]

[FBIS Translated Text] Health Minister Martha Palacio will leave her government post on 22 September in order to run for Managua mayor under the National Project [Pronal], which she believes opens the opportunity to democratically elect the people's representatives in the next government.

She leaves her post, along with Agriculture Minister Dionisio Cuadra Kautz and Presidency Deputy Minister Jose Bohanerges Matus, amid one of the most vicious epidemic times in the last few years. Nicaragua is facing severe dengue and cholera outbreaks, which are threatening to increase the number of victims.

"There is the impression that I am leaving at the worst possible moment as there is an outbreak of two epidemics that are beyond my control," she said. However, she argued that her departure stems from the deadline the Legislative Assembly has set for the current government officials who want to run for public posts in the next elections.

"I wish this departure had been in the summer, but, unfortunately, it has to be now, because it is the deadline," she affirmed. However, Palacio maintained that the president of the Republic has considered the significance of continuing with the efforts the Minsa [Health Ministry] has made. This is why she has guaranteed the work stability of its directors.

Minister Palacio is leaving confident that her leadership will lead the women and organizations that support her

candidacy to garner 50 percent of Managua's electoral college votes. "I am going to run for Managua's mayor's office within the structure of the National Project," she pointed out.

In retrospect, she argued that an independent candidacy, like the one she proclaimed at the beginning, "has its charm, because it is a new phenomenon, especially if it is led by a woman. It is a little bit audacious."

She explained that she joined the Pronal because she felt committed with the support the government gave her and maintained that "Pronal has many social participation opportunities in which all the groups will be able to take over that electoral college and to exert influence to have, for the first time, female candidates for mayor, deputies, and councilpeople."

The health minister, who will devote herself to work on her campaign starting on 1 October, affirmed that the withdrawals that could take place in the groups that are supporting her will be recovered in political alliances.

"I know that, at the end, the alliances will allow us women to join efforts because of the objectives we are seeking. I would say that people are currently unaware of the great advantages of promoting candidacies within the Pronal," she underscored.

As for the epidemics situation, Palacio, who has been the health minister since 1993, believes that Nicaragua is the country most vulnerable to dengue, because it started in 1985 and because of the lack of resources. "It is a critical problem, because the number of infected people exceeds 4,000 annually and because since last year, there have been 18,000 cases.

Every time there is an epidemic outbreak or a health emergency in the country, the lack of resources at the Minsa "makes us sacrifice the resources we have for other programs."

However, she maintained that they have given the alert and have proposed to the government the creation of a national fund for health emergencies. This fund will be included in the 1996 budget.

"We have not lowered our guard. We are continuing to carry out the prevention tasks that must be carried out in every program of control and fight against dengue," Palacio affirmed, adding that the main problem is the people's lack of education on the breeding places for the mosquitoes. "I believe that if there is something we Nicaraguans could do it is simply making efforts not to have breeding places in our homes."

"The Minsa is spraying, abating, holding educational lectures, training the medical staff to tend to the patients,

and improving our diagnostic system at the laboratories. In other words, we are doing what the Central American countries are beginning to do, because dengue had not been a public health problem for them," she concluded.

Minister Lacayo's 'National Project' Viewed

95CA0358A Managua EL SEMANARIO in Spanish
11 Aug 95 pp 10-11

[Article by Erick Aguirre]

[FBIS Translated Text] Even before April 1990, both Vice President-elect Virgilio Godoy and the majority of the main figures from the UNO [National Opposition Union] coalition of parties had declared themselves in opposition to the government of Violeta Barrios de Chamorro.

One of the known causes of the divorce from UNO was that the then newly named minister of the presidency, Antonio Lacayo, Violeta Chamorro's son-in-law, was the immediate repository of the president's trust during the transition from rule by the Sandinists.

Since that time, Lacayo has in fact broken away from most of the UNO leaders (who had carried Chamorro to power) and put together his own governing team, one criticized for its excessive technocracy and the number of last names linked with the president's family.

As the 1996 elections draw near, Lacayo has begun to organize a quasi-party structure for the purpose of positioning himself at what could be called the "political center," using the oscillating and variable Sandinist-anti-Sandinist polarization as his parameter.

The organization has come to be known as the National Project (Pronal). It has been criticized for allegedly using government resources and the government platform and cited as the expression of an incipient "technocratic authoritarianism."

According to Lacayo, they had observed, during the early years of the government, the manner in which society had become divided. "By the end of the Sandinist period," he says, "we did not think this would prevail for many years. At the time, society was split between Sandinists and anti-Sandinists with nothing in between."

They therefore opted for "an invisible wall." When they won the elections and claimed to promote a government of national reconciliation, they allegedly began to transcend the split, endeavoring to set themselves up as a government of all Nicaraguans.

They claim that as time passed, it was obvious that the Sandinists were not going to remain united, nor were the anti-Sandinists. Rather, the people were going to

organize in "some new way" that would reflect the new reality in Nicaragua.

"That is why," Lacayo says, "we began some time ago to talk about the National Project or something like it. We had that concept in mind, a concept that gradually became clearer—and on 23 April, we got together and revealed the National Project."

The basic concept is that their strategy must continue under the next government "in order to generate more jobs, better wages, and a better standard of living."

Lacayo persisted with his candidacy even though awaiting the resolution of an appeal of the new constitution, which does not allow him to run because he is a close relative of the president.

Pronal is made up of civil servants, technocrats, businessmen linked to the government and a *sui generis* group of members of various political parties.

Last April, Lacayo filled the Olof Palme Convention Center with a large number of representatives of these sectors for the official presentation of his Project. A kind of government program was read—one which, according to hopes later raised by the press, generated more questions than answers.

One of them is why, if the Project group is the same as the one holding the reins of power, have they not already done what they are now promising to do as their program after 1996?

Many compare it with the Sandinist promise that "everything will be better," and quite rightly speculate that if they are already in power, then they have the possibility of beginning to carry out the promises brandished as a program. One absolutely essential promise is to lower the unemployment rate.

Another is the credibility and influence of many of its leaders, nearly all of whom are technocrats and ministers with more administrative than political experience. Furthermore, in the case of the politicians (most from the Socialist Party or the Social Democratic Party), they are noticeably split and possess little organizational talent.

The most controversial issue, however, is the alleged use of government resources to finance the organization and projection of this political movement. It is obviously a question that has so far been difficult to answer with sufficient proof and grounds.

What cannot be denied is that Lacayo is using the government as a convenient election platform.

The government's Directorate of Social Communication recently issued a bulletin stating that Lacayo had asked the president for "permission to leave the government."

According to the bulletin, the minister would leave his post on 7 September. His stated intention is "to work full-time for the National Project." "I must leave the government because, without any privilege or prerogative, I want to defend my right to be elected if the people decide to give me their support," Lacayo announced.

However, the Supreme Court of Justice is now the "Achilles heel" of the agreements recently reached by the Executive and Legislative Branches, which paved the way for promulgation of the constitutional reform to which the government is opposed.

From the earliest negotiations, the Executive Branch applied pressure to retain the power to name justices to the Court and thus gain a majority of the votes behind the possible appeal.

In its coming sessions, Congress will choose the members of the high court of justice, but this time the Legislative Branch has the power to propose and consult concerning candidates on an equal footing with the Executive Branch.

However, Lacayo sticks to his position, arguing that "the two most visible political proposals (Aleman and the FSLN [Sandinist National Liberation Front]) offer nothing but confrontation, rather than a solution to problems."

Politicians from different factions criticized the ambiguity of the minister's withdrawal, arguing that Lacayo cannot merely request permission from the government to withdraw, but rather, must resign outright.

Indeed, the bulletin put out by the Information Directorate indicates that Lacayo requested permission to withdraw from the government. However, nowhere in the text does one read the word "resign."

Vice President Godoy stated that Lacayo "cannot in fact be a candidate," adding that "to speak of permission is to speak of something temporary, meaning that one can return."

Analysts and politicians agree that, depending on how the withdrawal is requested, Lacayo could be seeking to control the government and his party simultaneously.

Tentacles Out

Since 1990, Nicaragua seems to have been going through a kind of state-enterprise confusion, mainly fostered by the technocratic-political structure grouped around the figure of Lacayo. This combination of economic interests with capitalizing on power is now

becoming more palpable with the official launching of Pronal.

There is great speculation in the press about this habit of engaging in politics from inside the government. Mention is made of economic prerogatives, credits granted on favorable terms, government protectionism, exclusivity in financial economic treatment, appointments to public institutions: in short, an entire machine whose component parts and members are prepared to receive economic backing in exchange for promoting the political interests proposed in the National Project.

However, the new tentacles of the state-enterprise also seem to be seeking the way to take in political and trade union organizations so that they, too, will serve their political purposes.

This absorption approach has now managed to reach certain trade union organizations such as the CGT [General Confederation of Labor], CAUS [Federation of Trade Union Action and Unity], and a number of SCAAS [Trade Union of Carpenters, Fitters, Masons, and Related Trades] and UNAG [National Union of Farmers and Cattlemen] officials. In addition, a few parties or factions of political parties, such as the Socialist Party and Erick Ramirez' Social Christian Party, and a number of Somocist Social Democratic, conservative and liberal politicians have been enticed away from Aleman by Pronal by means of favorable treatment relating to their applications to have property returned.

Nor has private enterprise escaped such politicking. The three most important chambers of the High Council on private enterprise seem to be practically in the hands of and under the absolute control of those who also seem to be managing the government and the so-called National Project.

Economic Antidemocracy

The "temptation" is the concessions—especially now that the clauses of the Free-Trade Agreement are about to be applied in the area. Nicaragua is at a disadvantage compared with Central America, as a result of which businessmen are looking for ways to protect themselves from the bilateral free-trade policies. Consequently, the government seems to be their sole refuge. Concessions have therefore implied specific political commitments.

Opposition politicians have condemned the fact that the major economic groupings—most of whom are related to one another and to high officials in the Chamorro government—are closing ranks with the National Project, resulting in the continuation of extreme poverty and unemployment.

Until recently, the opposition's frequent condemnation of the government was confined to the consequences of the structural adjustment of the economy, but after the Pronal machine had been solidly put in place, those condemnations were directed at the economic model that the government had been building: the monopoly of a group of families favored by the government and linked to it or the so-called National Project.

According to the criticisms, those appearing as the main promoters of Pronal are the representatives of a sector of the country's economy who benefit from protectionist economic policies put in place by the government.

Clan Structure

Opposition politicians argue that a structure in which a group of families produces, markets, keeps for purposes of speculation, sets prices, and forces the population to buy specific products has but one graphic name: clan.

This analysis holds that the group protects itself economically in order to sell at will whatever it produces and, to make it worse, is protected by the government and is even part of it, inasmuch as part of the government belongs to the "family clan."

This would be the very opposite of what is called and referred to as a "market economy." Nor would it be what is known as a "statist" or State economy, inasmuch as what is involved is a "concealed statification" [as published] controlled by about six families that protect themselves.

Coincidentally present at the launching of the National Project, in addition to representatives of the "absorbed" unions, was a large number of members of that so-called state-enterprise "clan." This causes many politicians to conclude that Pronal's true intention is to continue the same economic policy followed so far and to consolidate and enrich the same clan structure. [Box, p 11]

[Aguirre] Describe the form, methods, and type of election that will be held in what has been termed the Electoral College.

[Lacayo] The Electoral College will be a group of men and women from every department that succeeds in registering 100 persons for the Project. That registration will be accomplished through the Registry of Signatures. It will be numbered, with the name of the person seeking the signatures and name of the department. If a person obtains 100 signatures of persons joining the Project while at the same time backing that individual, he immediately becomes a member of the Electoral College.

[Aguirre] What does being a member of the Electoral College mean?

[Lacayo] Let us say, for example, that the Masaya Electoral College is made up of 150 persons. This means that the Project has 15,000 persons. At a working meeting that we have scheduled for March, those 150 persons will hold their primary election. Those 150 persons will say, "Well, let's start on the municipalities," and then nominate whom they will run for mayor of Tisma, for example. Once that is done, a direct election will be held. A sheet is handed out on which everyone will write the name of the person they want for mayor. The individual winning the most votes is elected. Then we start on the councils, departmental deputies, and presidential candidates. We move on to other departments and everything will depend on the number of votes won by those elected. Finally, when the working meetings have been held throughout the country, the candidate winning the most votes will be the National Project's presidential candidate.

[Aguirre] Why have direct elections not been proposed?

[Lacayo] Because they are very expensive. If a national election with two million persons costs \$18 million, as Dr. Fiallos has said, a National Project primary would cost us at least \$3-4 million, which we do not have. That is why we shall use the indirect method—which is far more economical, but also more democratic. That method is the Electoral College.

We shall be the first political movement in Nicaragua's history to hold primary elections, thus eliminating any suspicion that the candidates here are hand-picked.

Panama

Politicians, Press React to Joint U.S. Talks

PA0809165195 Panama City LA PRENSA in Spanish
7 Sep 95 p 2A

[By Manuel Alvarez Cedeno]

[FBIS Translated Text] The opposition yesterday accused President Ernesto Perez Balladares and the Democratic Revolutionary Party (PRD) of displaying "cheap nationalism," after Perez Balladares and U.S. President Bill Clinton agreed to open "informal talks" on the possible renegotiation of the U.S. military's presence in Panama beyond the year 2000. The White House issued a communique following yesterday's meeting between Perez Balladares and Clinton, stating that the Presidents "decided to begin exploratory talks on whether their national and common interests require a formal dialogue" on the issue.

Reaction among opposition and PRD representatives in Panama was mixed.

Former President Guillermo Endara said he was "unpleasantly surprised, although he must not feel that way, because he had known all along that the so-called nationalism of Perez Balladares and the PRD is based on cheap demagoguery and meaningless words that only serve to confuse people." The 1977 Torrijos-Carter Treaties state that there should be no U.S. military presence in Panama beyond 31 December 1999. "The PRD boasted that it would have the last colonial post pulled out by the year 2000 but is now erecting other posts," he added. Endara said: "It is clear that he gives the United States everything that it wants. Perez Balladares now calls for alleged informal talks. There is no such thing. This is a political game. There is no difference between informal or formal talks." Endara recalled that he promised during his administration that there would be no renegotiation of the treaties or the bases, adding that it was a promise "which I fulfilled."

Former Foreign Minister Jose Mulino also believes that the call for informal talks signals Panamanian and U.S. Government interest in negotiations on the U.S. military forces remaining in Panama. The United States has approximately 7,000 soldiers and 10 defense sites in Panama, which the Canal Treaties state should be dismantled by 31 December. Nevertheless, some circles in the United States have stressed the need for U.S. military forces to remain in Panama to fight drug trafficking in the region. Mulino said that opening informal talks "sends a message on our incompetence." He added: "It would be an unforgivable and historic mistake. Fortunately, the PRD and the president will be the ones responsible for U.S. soldiers remaining in Panama when what they are supposed to do is comply with the treaties." Mulino believes the PRD and PRD Secretary Perez Balladares "will have to prove just how sharp they are politically when it comes to convincing the world that what is happening now was not meant to be the result of the past 25 years of talk." He said, smiling: "The PRD administration will once again have to go against its own actions."

Luis Gomez, a former PRD legislator, believes that "this is a somber day for the country, consonant with the objectives of the invasion" the United States staged against Panama. "False nationalists and Torrijos followers will now surface alongside those who want the U.S. military," he noted.

Christian Democratic Party President Gabriel Cedeno said President Perez Balladares "has demonstrated that he says one thing and does another, because before leaving for his tour," his spokespersons said the issue was not in the agenda, but immediately upon his arrival in Washington he included it.

Solidarity Party Issues Communique

PA1009033095 Panama City LA ESTRELLA DE
PANAMA in Spanish 8 Sep 95 p b15

[Communique issued by the Solidarity Party in Panama City; date not given]

[FBIS Translated Text] The Solidarity Party wishes through this means to refer to the reports reaching us from the capital of the United States of America with regard to the meeting held there between Panamanian President Ernesto Perez Balladares and U.S. President Bill Clinton.

The published reports state that the two presidents are studying issues of the highest importance for the two countries, which share common interests. They also broached the topic of the presence of military forces in Panama beyond the year 2000. Both stated their willingness to "promote exploratory consultations" on the topic to determine if the "national and common" interests of the two parties merit the beginning of a formal dialogue in that respect.

The Solidarity Party believes that, since President Perez Balladares is aware of the significance and social, political, and economic importance for our country and for the hemisphere of the topic of the U.S. military presence in our country, it is our president's responsible attitude to maintain the channels of dialogue open, so that, always respecting the highest national interests, the advantages and disadvantages of a matter of such significance can be studied. The future wellbeing of the Panamanian people will depend to a great extent on the outcome of the talks.

The Solidarity Party believes the Panamanian nation, through its generational struggle, has demonstrated to itself and to the world the deep and heartfelt national feeling behind the actions of its people and has reaffirmed its dignity as a society and state, to a great extent as a result of the negotiations and signing of the Torrijos-Carter Treaties, signed in 1977, 18 years ago.

With this precedent, the country is capable of facing with confidence and without any problems any future challenge, including the responsible study of the issue broached by the presidents of Panama and the United States of America.

Hopefully all Panamanians, particularly those who represent important sectors of opinion, will also have the spirit and open mind to explore with confidence and without fears the issues that are decisive for our future, so that the decisions that are made are the product of maturity, rationale, and not that of mere prejudice, rumors, or personal attitudes.

Such tasks must be the ones to take us to the highest levels of national consensus, so that the decision that is adopted may serve to strengthen our unity and peace, as the basis of our future development and wellbeing.

PRD on Balladares-Clinton Meeting

PA1009032495 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Sep 95 p B-15

[Communique issued by the National Executive Committee of the Democratic Revolutionary Party in Panama City; date not given]

[FBIS Translated Text] On the occasion of the 18th anniversary of the signing of the Torrijos-Carter Treaties, we think it appropriate to reaffirm our commitment to the historical position of the PRD [Democratic Revolutionary Party] of ensuring compliance with the letter and spirit of such treaties.

This generational commitment of all Panamanians aims to continue the implementation of the treaties, which began on 1 October 1979 and will end on 31 December 1999, when Panama will assume full and absolute sovereign control over the administration, operation, and defense of the Canal and adjacent land.

We also voice our support for the results of talks between Ernesto Perez Balladares, president of Panama and PRD secretary general, and U.S. President William Clinton on 6 September in Washington, because they are in keeping with the spirit of the 1977 Treaties.

As for the U.S. request to explore the possibility of a reduced presence after the year 2000, the parties voiced a clear intention to hold talks when they stated in a joint communique that: "They decided to advance exploratory consultations to determine whether their national and joint interests and the possible benefits of a reduced U.S. military presence after the year 2000 justifies the start of a formal dialogue on this matter."

In this regard, we reaffirm our party's position that should such consultations lead to formal talks, only the sovereign and constitutional will of our people should decide such a presence through a national consultation as mandated by our Constitution. This would, at any rate, happen after the implementation of the Torrijos-Carter Treaties.

All the PRD's united and Torrijist actions revolve around the national interests of Panama, and this implies that the military bases should revert to the Panamanian people and be converted into emporiums for economic development through national and foreign investment in industries, commerce, services, and education to ensure that all this directly benefits every man, woman, and child of the national population.

Our party will participate in the national debate on this issue with the responsibility and solid proposals that have always characterized it, while preserving the Torrijist ideal of giving our reverted resources the most collective use possible.

We urge the Panamanian people, the political parties, and other components of our civilian society to wait, with confidence in our future, for a report containing all the results of our president's tour, which has only just begun and which will certainly bring positive developments for all Panamanians.

[Signed] National Executive Committee,

Dr. Francisco Sanchez Cardenas, PRD acting secretary general.

Molirena Head on Possible U.S. Accord

PA0909040995 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Sep 95 p 1

[Report by Cristobal A. Chen]

[FBIS Translated Text] Molirena [Nationalist Liberal Republican Movement] President Guillermo Ford said yesterday a possible accord between Panama and the United States to maintain a U.S. military presence in Panama beyond the year 2000 will have to be "subject to a referendum."

Ford, who was vice president during the previous administration, told the news media "we will demand that the executive branch keep Panamanians well informed of the status of talks or negotiations."

"It is really unfortunate that the government is not saying the truth, when it is obvious that such an important issue was not brought up during a conversation between both presidents," Ford said.

U.S. President Bill Clinton met with Panamanian President Ernesto Perez Balladares on 6 September, and the possibility for "carrying out exploratory consultations" to determine a U.S. military presence in Panama beyond the year 2000 was opened.

Meanwhile, Local 907, the U.S. Armed Forces Employees Union, has favored a possible negotiation on U.S. military bases remaining in Panama beyond the date stipulated in the Canal Treaties.

Eisenmann: Possible Stay 'Historic Mistake'

PA1009012895 Panama City Circuito RPC Television
in Spanish 1730 GMT 9 Sep 95

[Report by Alvaro Alvarado from the "Midday Television News" newscast]

[FBIS Translated Text] Businessman Roberto Eisenmann has described as a historic mistake the possible stay of military bases beyond the year 2000.

Panamanian President Ernesto Perez Balladares and U.S. President Bill Clinton on 5 September agreed to start an informal exploration to determine whether the permanence of U.S. military bases in our country beyond the year 2000 is advisable.

[Begin Eisenmann recording] I think that this is a very grave historic mistake. I was very saddened by the news, because I think that our grandchildren and their grandchildren will pay for this. Given that this involves an issue that is so vital to our nation, I think that going there voluntarily and without any need to subject themselves to a process that will end with an imposition is an enormous strategic and tactical blunder. [end recording]

According to Eisenmann, this has shown that the United States does not know what it wants with regard to the military bases, and thus, Panama should have seized this opportunity. Panama, before discussing this issue, should have established the parameters of its main goals, he added:

[Begin Eisenmann recording] We could have said: We want a friendly and cordial relationship with the United States, but beyond the year 2000, we do not want one more man in uniform on Panamanian soil. And within such parameters, there are a thousand formulas, and I have proposed some of them, that can be negotiated. [end recording]

Eisenmann said that he is completely certain that the United States will never withdraw its bases from our country:

[Begin Eisenmann recording] I am certain that in one way or another they will stay here. Those who believe that all the jobs and the \$300 million will be spared should wake up, because regardless of the circumstances surrounding their stay, their numbers will be very reduced. [end recording]

Columnist Views Talks on Military Bases

PA1009150195 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Sep 95 p 1

[From the LA ESTRELLA DE PANAMA Opinion column]

[FBIS Translated Text] Reactions were not long in coming. And they were also expected, as soon as it was reported that the continued presence of the bases had been touched upon, even superficially, by the Panamanian and U.S. presidents. This matter is not unknown to Panamanians. It can be said we have been dealing with this issue almost since we were born.

In the talks between the presidents, this subject did not emerge all by itself. Evidently it had been prepared, although attenuated in official statements, perhaps for strategic reasons. Maybe a heated controversy was expected to start as soon as the issue was reported in public, as it indeed happened. All opinions bring to mind arguments deeply ingrained in the Panamanian people's collective awareness and consider aspects heard about more than once.

Nevertheless, our attention was grabbed by the fact that only a short time ago we heard again and again phrases like this: "We have progressed, the struggle continues." During the drive in favor of the approval of the 1977 Treaties in a referendum, we used to hear the slogan: "Let's say yes, although prepared to struggle." At the time, the approval's advocates portrayed the Treaties as the solution to blot out even the last vestiges of the U.S. military presence. Ironically, these very same people now prepare to negotiate the continued presence of the bases that would otherwise have been eliminated. And this negotiation would be conducted precisely with those whose presence would have been banned for good. The situation is ironic, to say the least. Nevertheless, it will be the people, now living in democracy, who will have to say the last word. And the people know intuitively that credibility is not obtained with slogans or theatrics.

Columnist Reviews History of U.S. Presence

PA0909034795 Panama City LA PRENSA in Spanish 6 Sep 95 p 2

[From the "Without Rhyme or Reason" column by Mario J. de Obaldia: "Are They Leaving or Staying?"]

[FBIS Translated Text] About 25 years ago, whenever we used to go into the streets of any city or town in the Republic and run into groups yelling at the top of their lungs "Gringo animal, out of the Canal!" "U.S. colony, No!" "Yankee go home," or any of those slogans invented by the Divine Process [the

military dictatorship], we imagined we would pass away before seeing the end of that racket that sought no other purpose than to hearten the military who were subjugating us and wanted us to follow the bandwagon of international communism.

Then came Preacher Jimmy [Carter] with an olive branch and a briefcase full of money that he offered Carmelo who is now in heaven, [reference to dictator Omar Torrijos]. Like a charm — money being an irresistible persuader — the insults and protests against North Americans ceased and everything concluded with hugs, kisses, and demonstrations of satisfaction over the U.S. presence in Panama. Whence emerged the Torrijos-Carter Treaties that provided such juicy dividends to those who participated in them and guaranteed the removal of the last colonialist stake in December 1999.

To verify the compliance with the Treaties, the South Command ordered the gradual evacuation from all the forts located throughout the Republic of Panama. And what happened? The "Yankee Go Home" chants have been replaced by "Yankee Stay Here!" uttered by the same ones who were clamoring before for the gringos' exit. That request, motivated by the voices of Panamanians employed at the U.S. military installation, has been rising to the point that today there are many thousands of voices raising to speak on the advisability of having U.S. bases stay beyond 2000.

President Perez himself has just stated that what he considered in principle to be an unacceptable and offensive proposal to his mentor Torrijos is not so unacceptable nor offensive now, that everything can be translated into dollars and cents, but that he — honorable man that he is — would not take any initiative on the matter (as if the U.S. decision would depend on the initiative or lack thereof of the people of Panama). Everything would be a matter of calculating the economic advantage for the country.

Universal history teaches us that whenever big empires pitch tent in foreign territories, they do so with the final determination of remaining there forever and ever. If one day they decide to leave, that decision corresponds to their own interests or they are forcibly expelled. The Arabs withdrew from Spain after a 600-year struggle, when Boabdil "wept like a woman what he was not able to defend like a man." The English withdrew from their 13 colonies after years of a bloody struggle for independence, and the same happened to the French in Canada, the Spanish in Latin America, the French in Morocco, the Romans in Turkey, the English in India, the French in Indochina, and history gives us many more examples.

I think that when the North Americans put the first wooden plank in the Canal project, they did so with the intention of staying permanently in Panama. They, however, are the ones who can still decide whether to stay or leave, even in compliance with the Treaties. Cracks seem to have appeared in that intransigent stance that they necessarily have to leave, so much so that there are groups of Panamanians interested in the stay of the military bases, and the government does not appear very reluctant to heed a request along those lines. As the president has said it: "This is a matter of dollars and cents." It is no longer a matter of sovereignty.

Acting President Pardons Former Military, Others
PA0909214595 Panama City EL PANAMA AMERICA
in Spanish 8 Sep 95 pp 1A, 3A

[Report by Arnulfo Barroso Watson]

[FBIS Translated Excerpt] Acting President Tomas Altamirano Duque yesterday pardoned 139 people, including high-ranking members of the military regime who were accused of committing common crimes. Meanwhile, Attorney General Jose Sossa noted that the executive branch could have committed excesses in its constitutional duties, because there are "clear" embezzlement cases in which some of these pardoned people are involved.

Through Executive Decree 476, members of the General Staff of the defunct Panamanian Defense Forces [FDP], opposition politicians, businessmen, lawyers, and journalists were pardoned. Some of them had been charged with murder threats, embezzlement, and crimes against honor.

The pardons are based upon the fact that "injustice has been committed" against citizens who were accused of political crimes at the time. However, due to the intention, execution, content, and connection of these crimes, it was "clearly" shown that they constituted political mistakes.

Former FDP General Staff Chief Colonel Marco Justines (accused of embezzlement), Lieutenant Col. Arnulfo Castrellon, and former Panamanian Air Force chief Lt. Col. Lorenzo Purcell are among the high-ranking military officials who were pardoned.

Major Miguel Aleman Mendoza, current presidential escort chief; Maj. Benjamin Solis, former Coiba island chief; and Maj. Jorge Balma, former G-2 [Intelligence Division] executive, are also included in the list.

Yolanda Pulice the Rodriguez, former Electoral Tribunal president, and former deputy ministers Azael Purcalt, Julio Shaik, and Ricaurte Vasquez also stand out in this list.

Rodrigo Arosemena, Molirena [National Liberal Republican Movement] legislator and former Customs director, and businessman Roberto Eisenmann were also pardoned.

Attorney General Sossa affirmed that there is at least one "clear" embezzlement case among those who were pardoned. In his opinion, it is very difficult to justify the embezzlement cases as political cases, unless the funds stolen from the state were used to finance a political group.

He stressed that if he applied the ostrich effect in this case, he would be making a mistake. He pointed out that he will ask his aides to revise the pardons. [passage omitted]

Russia Interested in Expanding Commercial Ties

PA1009032795 Panama City Circuito RPC Television in Spanish 1730 GMT 9 Sep 95

[Report by Marcos Castillo from the "Midday Television News" newscast]

[FBIS Translated Text] Contacts to expand commercial ties between the Russian Federation and the Republic of Panama have taken place at that nation's diplomatic mission through meetings between Panamanian farmers and representatives of Russian companies. For Panama-

nian farmers this is a good opportunity to increase their production for exporting purposes.

[Begin Chiriqui Province highlands farmer Ricardo Bermudez recording] The Embassy of Russia is interested in buying agricultural products such as vegetables, citrus fruits, and other fruits, and we thought that this was an excellent opportunity to present this orange, this great fruit, because it has a high quality and is superior to the regular orange grown here. [end recording]

The Russian Embassy's trade representative said that these meetings are timely for the mutual export of products and investment in other areas:

[Begin Yuriy Chemelin recording] Russia is [words indistinct] and we can import from and distribute products virtually to every part of the world, even from countries that are as far away from it as Panama. We are considering the possibility of using Panama as a strategic point, because of its political and geographical position in the area, to establish a platform here for the export of Russian products, especially machinery and equipment. [end recording]

Contacts between Russian businessmen and Panamanian farmers will continue until the middle of next week to finalize agreements to expand commercial exchanges between the two countries.

Argentina

Menem Says New Banking Measures To Pump-Prime Economy

PY0909032895 Buenos Aires TELAM in Spanish
2318 GMT 1 Sep 95

[FBIS Translated Text] Potrero de los Funes, San Luis Province, 1 Sep (TELAM) — President Carlos Menem reiterated today the importance of the new economic measures announced by [Economy] Minister Domingo Cavallo. The head of state said that they will be instrumental in pump-priming the economy.

In a news conference called following a symposium of governors convened by the Federal Investment Council (CFI) here yesterday and today, Menem said: "Thanks to a reduction in lending rates and the greater liquidity we will have, we will be able to pump-prime small- and medium-scale enterprises."

The head of state underscored that "Cavallo's measures met with approval. This is why I am telling you that we will soon have an economic upswing."

The president went on to say: "We had to devise a mechanism for converting bank reserves in credit without affecting the guarantees that reserves give," adding that "this is what we have managed to do with the announced Bank Liquidity Bills."

During the news conference, Menem confirmed his administration's will to "effect a new transformation — political transformation." He recalled that "we must institute some of the reforms included in the new Constitution, like political parties' structure."

Menem was accompanied by San Luis Governor Adolfo Rodriguez Saa; Interior Minister Carlos Corach; and Alberto Kohan, secretary general of the presidency.

In concluding, the president declared: "It is only fair to give workers their due for the effort they have made in this unprecedented transformation our country has undergone."

Finance Minister Asserts Financial Crisis 'Over'

PY0709231395 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1845 GMT 31 Aug 95

[FBIS Translated Text] Buenos Aires, 31 Aug (NA) — During a speech to 500 businessmen to announce measures to streamline the banking system and to make credit more accessible to small- and medium-sized enterprises, Economy Minister Domingo Cavallo asserted today that the financial crisis, in which Argentina has been enmeshed since the beginning of the year, is over.

After analyzing the previous eight difficult months, Cavallo forecast that the economy "will be in full swing"

by the fourth quarter of the year. He added that in 1996 Argentina's "growth rate will regain the levels of the previous four years."

During his address at the Argentine National Bank, which lasted one and a half hours, Cavallo announced that the economic program will continue into the first decade of the next century.

He urged all sectors of the country to support the transformation process "spearheaded by President Carlos Menem."

Cavallo moved again to the attack, choosing his words, and even adopted a professor-like tone. He concentrated on one specific subject — economics.

As a clear example of the difficulties experienced this year, Cavallo conceded that this year the fiscal balance will only be achieved by including proceeds from privatizations. He said he did not want to do this, but "it cannot be helped."

He announced, however, that a balanced budget will be attained in 1996 without including the proceeds from privatizations, although there will be very few assets to transfer to the private sector.

The economy minister also acknowledged that government revenues totaled the meager sum of "3.300 billion pesos" in August. He added that they will "very soon" climb to 4 billion pesos per month.

Cavallo asserted that tax revenues will recover past levels "without increasing taxes," and added that a failure could only occur if tax evasion remains at present levels.

He asserted that Argentina managed to weather the financial storm triggered by the "Tequila effect" without an important decline in bank deposits and with minimal damage to savers.

Cavallo said that at the height of the crisis — between January and the end of April this year — "deposits plummeted by 17 percent, nearly the same percentage as during the four depression years of the 1930's in the United States."

He said: "This heralded a drop from 205 financial institutions to 167, but with hardly any losses for savers."

Cavallo unveiled several measures, most of which had already been announced by the Central Bank, including uniform cash requirements as of 1 November for checking accounts, savings accounts, and term deposits maturing in up to 89 days.

Reserve requirements for term deposits that have a maturity ranging from 90 to 360 days will be 2.5 percent across the board.

Cavallo said these measures will have a direct bearing on the system as "the most resilient banks will from today promote the opening of checking and savings accounts, which are the most genuine way of lending money to families and companies."

Banks will be able to fulfill reserve requirements with liquid assets that yield an interest similar to that obtained by attracting financial resources.

Cavallo asserted that the privileges of short-term foreign lending "will be brought to an end."

The economy minister said these new financial instruments will enable Argentina to surmount other crises like the Mexican one because the country will be less vulnerable to aftershocks that originate abroad.

He announced the establishment of the Bank Liquidity Bills, which will enable quick loans between banks under a Central Bank swap transactions operation guaranteed against these instruments.

He stressed that banks will be able to place up to 50 percent of their reserve requirements abroad or up to 100 percent in these Bank Liquidity Bills, which will be issued and traded on the secondary market.

Cavallo also announced that a bill will be submitted to Congress to levy just 4.95 percent on any type of foreign loan.

The economy minister explained that this is the rate levied to finance exports and imports and that it will be applicable to all cases regardless of the recipient or origin of said financing.

Main Points of New Financial Measures Listed

PY0909031595 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2124 GMT 31 Aug 95

[FBIS Translated Text] Buenos Aires, 31 Aug (NA) — Impelled by the imperative need to restore credit availability, the federal government launched a package of financial measures containing the following points today:

— Gradual cuts in the reserve ratio for checking and savings accounts as of 1 September until total elimination of required reserves is realized as of November.

— An increase of minimum cash requirements for all other accounts, time deposits, and other credit instruments.

— The treasury will issue Bank Liquidity Bills, which will be secured by a sum comparable to the one

deposited at the Central Bank, the Federal Reserve Bank of New York, or a banking establishment that has been accorded the maximum rating by international risk-assessment agencies.

— Bank Liquidity Bills will enable access to lines of credit secured against these instruments.

— The Central Bank will have the swap window open to inject liquidity into the market against the collateral provided by the Bank Liquidity Bills if the banking establishment needs it before maturity of said bills.

— To enhance the role of banks in the economy by promoting the increased use of checking and savings accounts, thus promoting formal savings.

— To encourage a reduction in interest rates in the financial system to restore credit availability.

— Banks will be able to invest minimum cash requirements in government or private securities, something which will have a favorable effect on the quotation of those securities.

— To reactivate production so as to reverse the downswing in economic activity.

— To reduce bank costs so that banking establishments may in turn reduce interest rates on loans.

— To bolster once again the value of using checks and other mechanisms like electronic money transfers and other computerized transactions.

— To reduce expenditures incurred by foreign lending operations.

Spain's Aznar: GAL Document 'Extremely Serious'
BR0809140695 Madrid EL MUNDO in Spanish
8 Sep 95 p 12

[Report by Lucia Mendez: "Aznar in Buenos Aires: 'I Know I Will Defeat the Socialist Party's Candidate'"]

[FBIS Translated Excerpt] Buenos Aires — The [Spanish] Peoples' Party chairman is continuing his triumphant tour of a number of South American countries where he is being received with the highest honors, in contrast to two years ago when he was an unknown politician. Yesterday, many signs reading "Welcome President Aznar" greeted him from the fences and walls in Buenos Aires, where the Peoples' Party has an efficient organization.

Aznar's motorcade did not suffer from the mythical Buenos Aires traffic jams because the police cleared a path for him leading straight to the luxurious hotel where he was staying, located in the most well-to-do district of Buenos Aires.

The Peoples' Party leader arrived in Buenos Aires from Santiago where he had told a news conference the evening before that he was indifferent to whether the Spanish Socialist Workers Party's [PSOE] candidate in the general elections would be [Spanish Prime Minister] Felipe Gonzalez or [Foreign Minister] Javier Solana. He stated: "I know that I will defeat any candidate they put up for election."

When he was asked if there was any possibility that United Left [IU] could win the elections, the chairman of the Peoples' Party responded: "That would not be a surprise. It would be a catastrophe."

On his first day in Buenos Aires, Aznar met with former President Raul Alfonsin. Aznar was informed that his meeting with President Carlos Menem would be postponed for a day on account of the Argentinian president's heavy commitments to the municipal elections. It is true that Menem recently had to put up with another general strike.

Eager to keep up to date with current affairs in Spain, a subject on which he is kept regularly informed by his press service, Aznar would not comment on the appointment of Eduard Moner as the examining judge in the Antiterrorist Liberation Groups [GAL] case: "The Supreme Court's Second Court can appoint whichever judge it deems appropriate. I will not comment on this."

Nevertheless, sources in the Peoples' Party delegation accompanying its leader stated privately that while the government is putting as much pressure as it can on the Supreme Court, the members of the People's Party consider this to be of no use since proceedings are still being conducted by Baltasar Garzon and the latest statements by some of the accused, such as Ricardo Garcia Damborenea, are shedding light on important facts concerning the trial.

The Peoples' Party leader said precisely that the founding document of the GAL given to the judge by Garcia Damborenea "is extremely serious" and he stated that "the political situation which is already untenable, will unfortunately continue to get worse if things do not change." [passage omitted]

Confederation of Labor-Sponsored March Highlighted

PY0809022495 Buenos Aires TELAM in Spanish
2342 GMT 6 Sep 95

[FBIS Translated Excerpt] Buenos Aires, 6 Sep (TELAM) — After a long time, the time-honored mobilization apparatus of the Peronist trade unions today again conspicuously participated in a "Labor

March" called by the CGT [General Confederation of Labor] on the Dos Congressos Square.

The compact columns of workers from leading industrial and service trade unions were at odds with the low rate of participation on the part of members and supporters of political parties, which was limited to leftist groups.

Columns of workers from the Metalworkers Union; the Argentine Federation of Retail Business and Services Employees (FAECYS), who even came from the interior of our country; the UOCRA [Construction Workers Union of the Argentine Republic]; and the mechanics trade union, who arrived in the Dos Congressos Square with their typical green flags, had been arriving in the square since the early afternoon hours.

Workers from the trade union of bank employees, the UPCN [National Civil Service Personnel Union], the trade union of health workers, the trade union of restaurant workers, the trade union of municipal workers, the trade union of light and power workers, and the trade union of bus drivers, who were headed by their secretary general, Juan Manuel Palacios, also gathered near the main rostrum.

A large column of truck drivers, waving a huge banner of the dissident Argentine Workers Movement, and workers from the trade union of air traffic controllers, the trade union of pharmacy employees, and the Argentine Federation of Press Workers (Fapren) entered the square at 1630 yesterday, a few minutes before the beginning of the rally.

The trade union organizations decorated the square and its surroundings with a large quantity of banners and posters, but the balloons put up by the workers from the trade union of restaurant workers, the trade union of chemical and petrochemical workers, and the trade union of carbonated water industry workers were readily noticeable.

Political participation was slight, and limited to leftist groups. Major opposition forces, such as the UCR [Radical Civic Union] and the Frepaso [Front for a Country in Solidarity], were not present, but [Grand Front deputies] Carlos "Chacho" Alvarez and Graciela Fernandez Meijide were present at the square.

A small column of Grand Front Youth and [Frepaso leader Jose Octavio] Bordon supporters, with PAIS [Open Politics for Social Integrity] banners, arrived at the square shortly before the end of the rally.

Demonstrators from leftist political groups and student organizations, including the Socialist Workers Movement (MST), the Work and People's Party (PTP), the

Popular Socialist Party, the Authentic Socialist Party, and the Workers Party, totaled about 500. [passage omitted]

Bolivia

Country Joins World Trade Organization

PY0809162195 Buenos Aires TELAM in Spanish
1823 GMT 7 Sep 95

[FBIS Translated Text] Geneva, 7 Sep (TELAM-SEM) — Bolivia has officially joined the WTO, the organization succeeding the GATT in regulating standards on international trade and settling disputes.

Bolivian Ambassador [not further specified] Jorge Lema Patino today delivered the confirmation of this international agreement to WTO Director General Renato Ruggerio.

This step represents the culmination of a lengthy process for Bolivia's entry into this organization after the approval of the appropriate bill in Congress and its promulgation by Bolivian President Gonzalo Sanchez de Lozada.

Upon delivering the confirmation of this multinational agreement, the Bolivian diplomatic representative explained that his country is joining the multilateral trade mechanism and, within the government's current programs, is modernizing its economy and its trade relations.

Text of Administrative Decentralization Law

PY0509160895 La Paz LA RAZON in Spanish
29 Jul 95 pp A6-A7

["Text" of Administrative Decentralization Law promulgated on 28 Jul by Acting President Victor Hugo Cardenas]

[FBIS Translated Text] Title 1

The Administrative Decentralization Plan of the Executive Branch at a Departmental Level

Chapter I

About the Concept and the Objective

Article 1. Constitutional framework of Administrative Decentralization.

Within the framework of the Constitution, this law regulates the executive branch's Administrative Decentralization Plan at a departmental level that, under the unitary system of the Republic, consists of transferring and delegating duties of a technical-administrative nature that are not exclusive of the executive branch at a national level.

Article 2. Objectives

The objectives of this law, within the framework of the preservation of national unity, are the following:

- a. To set up the executive branch's organization structure at a departmental level according to the administrative decentralization plan.
- b. To set up the departmental economic and financial resources system.
- c. To improve and strengthen the efficiency and effectiveness of the public administration in granting public services in a direct and close manner to the people.

Article 3. Organization Structure of the Department Prefecture

I. The executive branch's structure at a departmental level comprises the Prefecture, formed by the Prefect and the Departmental Council.

II. The Prefecture's internal organization will be regulated by a Supreme Decree.

Chapter II

Section I

On the characteristics, appointment, and duties of the Prefect.

Article 4. Characteristics and Appointment

The executive branch is headed and administered in each department by a Prefect appointed by the president of the Republic.

Article 5. Duties

In the administrative decentralization plan the Prefect has the following duties, in addition to those established by the Constitution.

- a. To respect and see that the Constitution, laws, decrees, and resolutions are respected.
- b. Within the legal organization of the state, exercise the Prefecture's legal representation within the scope established in this law.
- c. To preserve the department's internal order.
- d. To administer economic and financial resources, and the goods that belong and are used by the department.
- e. To formulate and implement the department's socio-economic development plans under the regulations of the National Planning System in a coordinated manner with the Department's Municipal government and the Sustainable Development and Environment Ministry

within the framework of the Overall Economic and Social Development Plan of the Republic.

f. To formulate and implement public investment programs and projects within the framework of the departmental development plan and in compliance with the regulations of the National Public Investments System and the economic and financial plan of this law, in the following areas:

Construction and maintenance of highways, secondary roads, and those built jointly with the Municipal government.

Rural electrification.

Irrigation infrastructure and aid to production.

Research and technical-scientific programs.

Conservation and preservation of the environment.

Tourism promotion.

Social assistance programs.

Municipal improvement programs.

Others carried out jointly with the Municipal Governments.

g. To carry out the job delegated by the National Government of administering, supervising, and controlling human resources and the funds allocated for rendering personal services of education, health, and social assistance within the framework of the policies and regulations for providing these services.

h. To administer, supervise, and control the functioning of social assistance, sports, culture, tourism, agriculture and livestock, and highway services with the exception of those exclusive to the municipality, preserving the integrity of the national policies in these sectors.

i. It devises the departmental budget draft in compliance with the National Budget System and submits it to the Departmental Council for consideration and then to the central government in compliance with constitutional provisions.

j. To implement the departmental budget within the framework of the National Financial Administration and Government Control System, and to submit an annual report on revenues and expenditures to the Departmental Council.

k. To promote Popular Participation and address the requirements and relationship of the indigenous, peasant, and neighborhood organizations through the executive branch's corresponding channels.

l. To address the Municipal Government's requirements, measures, and relations through the decentralized jurisdictions.

m. To issue administrative resolutions, sign contracts and agreements, delegate and decentralize technical-administrative functions.

n. To decide how to use administrative resources that interfere with matters of his jurisdiction.

o. To appoint the sub-prefects in the provinces, the commissioners [corregidores] in the districts and subordinated personnel whose appointment is not the responsibility of other institutions.

p. To appoint departmental administrative officials whose appointment is not the responsibility of other institutions. Their quantity, rights, and ways of appointment will be established and determined through a supreme decree.

g. To negotiate credits for investment.

r. To grant juridical statutes, to be valid throughout the country, to foundations, associations, and civilian organizations established at home or abroad if they establish residence in this jurisdiction. To register the juridical statutes of peasant organizations, indigenous people, and neighborhood councils.

s. To register commercial organizations and other trade activities at home or abroad, to be valid throughout the country if they establish residence in this jurisdiction in accordance with the regulating decree.

t. To grant and register brands, designs, patents, rights, and licenses, to be valid throughout the country, in accordance with the regulating decree.

u. To preside over sessions of the Departmental Council with voicing and voting rights for annulment with the exception of cases referred to the council's control rights.

v. To promote private investment in the department.

w. Other rights assigned by current legislation and those delegated through supreme decree.

Article 6. Presentation of Annual Income and Spending

The departmental prefect must submit to the Departmental Council the yearly departmental income and spending account for review and approval.

Section II

Sub-prefects and Commissioners

Article 7. Character and Powers

The sub-prefects and commissioners are representatives of the prefect and will manage the provinces and counties

Article 8. Hierarchy

The sub-prefects are subordinated to the prefects and the commissioners to the sub-prefects.

Article 9. Powers of Sub-prefects and Commissioners

They will carry out the following tasks within their territorial districts:

- a. To obey and enforce the Constitution, laws, decrees, and resolutions.
- b. To maintain public order.
- c. To appoint subordinate personnel.
- d. To manage assigned resources. The sub-prefects must report to the prefect and the commissioners to the sub-prefect.
- e. To manage departmental goods assigned for use in the provinces or counties.
- f. To issue administrative resolutions in the area of their jurisdiction and in the areas delegated by the prefect.
- g. To preside over the Provincial Councils of Popular Participation.

Section III

Departmental Council Membership and Powers

Article 10. Nature

The Departmental Council is a collegiate body for consultation, control, and supervision purposes within the framework of the duties bestowed on it by the current law referring to the Prefect's administrative actions.

Article 11. Membership

The Departmental Council will be headed by the Prefect and will comprise the following members:

1. One citizen per province.
2. A representation per capita equivalent to 50 percent of the number of provinces, determined as follows:
 - a. A distributor figure is established. This figure is equal to the quotient resulting from dividing the total population of the department by the number of councilmen appointed per capita.
 - b. The provinces will have additional councilman according to its capita per distributor figure until it reaches the maximum number of councilmen per population established for the department.

c. Whenever the aforementioned is applied and the maximum number of councilmen appointed per capita is not reached, the distribution of missing councilmen will be made successive to each province, according to the relative size of its population to the distributor figure.

Article 12. Appointment, Impediments, and Annulments

I. Municipal councilmen of each province of the department will appoint, by two thirds of the votes of its members present, the citizens who meet the requirements and who reside in the province at least the year prior to their election.

II. In each province that has a right to one or more additional councilmen due to the size of its population, the appointment will be made respecting the proportion of each municipal section within the province and will be done by the corresponding Municipal Council.

III. Municipal Councilmen and high-level authorities of the public administration cannot be elected Departmental Councilmen.

IV. The Municipal Councilmen, may annul the appointment of the councilmen by two thirds of the votes of the present members, for reasons established by the Regulations.

Article 13. Appointment Requisites

In order to be appointed Departmental Councilman it is necessary to:

- a. Be a Bolivian citizen and have done military service.
- b. Be at least 25-years old on the day of the election.
- c. Be on the electoral registry and reside in the provincial jurisdiction represented for at least one year before being elected.
- d. Not have been sentenced to imprisonment, except when pardoned by the Senate; nor have pending charges or have been sentenced, nor fall under the exclusion or incompatible category established by law.

Article 14. Powers

The Departmental Council has the following powers:

- a. To approve the plans, programs, and projects for the department's development submitted by the Prefect, within the framework of the Republic's Comprehensive Socio-Economic Development Plan. To supervise and assess its execution.
- b. To approve the departmental budget draft submitted by the Prefect for future debate in Congress.
- c. To approve the Prefect's departmental balance of revenues and expenditures.

d. To supervise the Prefect's actions, with the exception of those referring to the exercise of attributions exclusive to the central level of the executive branch.

e. To decide on the convenience or need to obtain credits for the department, according to the laws currently in force.

f. To rule on the achievement of inter-institutional agreements.

g. To authorize requirements for the acquisition, sale, and leasing of properties and the signing of contracts for public works and services so that the Prefect may hold bids, contracts and their corresponding control in an open manner and in compliance with the regulations in force.

h. To center attention on the demands and priorities of the department capital, provinces, and counties.

i. To coordinate activities among municipal governments and other institutions within their jurisdiction.

j. To promote the involvement of the community.

k. To demand the Prefect, and through him the deputy prefects and commissioners, to submit reports on his administration

l. To submit for the president's consideration actions and administrative resolutions of the Prefect that violate the laws and that are against departmental interests.

m. To issue a motion of censure against the prefect with two thirds of the votes of its members.

n. To approve its internal operational and procedural regulations for the full exercise of its attributions established in this law.

Article 15. Mandatory Consultation

I. The actions of the Prefect may be declared null and void if he does otherwise, and he is compelled to consult the Departmental Council before adopting any decision on the following matters:

a. On the suitability and need to negotiate credits for the department in keeping with the regulations in force.

b. On requirements and signing of inter-institutional agreements.

c. On the signing of public works and services contracts in keeping with regulations in force.

II. Summoned by the Prefect, the Departmental Council must issue a ruling on the issues included in Paragraph I. The non-issuance of a ruling will imply its approval. The procedure and term for issuing its ruling will be established through a supreme decree.

III. The ruling and approval by the Departmental Council, once accepted by the Prefect, implies co-responsibility in the administrative action and its results.

IV. Through a specific resolution, and for a justified reason, the Prefect may disregard the ruling and/or approval of the Departmental Council. In doing so, he assumes full responsibility of the administrative action and its results in which case the Departmental Council may subject the decision to the president of the Republic who will issue final and mandatory ruling within the term established in the proper decree.

Article 16. Censure

A motion of censure seeks to amend objected policies and procedures.

I. With two thirds of the votes of those present and through a resolution, the Departmental Council may censure the actions and resolutions of the Prefect that are believed to be in violation of the law and go against departmental interests.

II. A motion censure implies the Prefect's resignation which may be either accepted or rejected by the president of the Republic.

Article 17. Exercise of Duties

The councilmen will exercise their duties for a two-year term and may be reappointed. They will meet at least once a month for the time that is deemed necessary and may hold extraordinary sessions whenever summoned by the Prefect.

Article 18. Quorum

The presence of 50 percent plus one of its members is required for the holding of Departmental Council sessions.

Article 19. Approvals and resolutions of the Departmental Council will be made by the absolute majority vote of the present members.

Title II

Chapter II

Economic and Financial Regulations

Article 20. Sources of Funds

I. Departmental resources will be managed by the prefects and comprise:

a. Departmental royalties created by law.

b. Resources of the Departmental Compensatory Fund created by Law 1551.

c. Twenty five percent of the collected Special Tax on Hydrocarbons and their byproducts.

d. Funds appropriated annually by the National General Budget for the areas of health, education, and social assistance.

e. Special transfers from the National Treasury in cases established in Article 148 of the Constitution.

f. Internal and external credits and loans obtained in accordance with the regulations of the Treasury and Public Credit National System.

g. Resources obtained from the transfer of goods.

h. Resources obtained from providing services and for the use of departmental goods.

i. Awards, donations, and other similar income.

II. The resources referred in Clause b of Paragraph I of this article must not exceed 10 percent of the collection of the Special Tax on Hydrocarbons and their byproducts. If this is exceeded, its distribution will be proportionally distributed among departments that get this benefit.

III. The distribution of resources referred in Clause c of Paragraph I of this article will be made as follows: 50 percent in accordance with the number of inhabitants in each department and 50 percent equally among the nine departments.

Article 21. Appropriation of Resources for Investment Programs and Projects

The prefect will assign, to finance the investments programs and projects included in Clause f of Article 5 of this law, 85 percent of the resources included in Clauses a, b, and c, and all resources included in Clauses f and g of Paragraph I of Article 20.

Article 22. Appropriation of Resources for Administrative Spending

The Prefect will assign up to 15 percent of the resources included in Clauses a, b, and c of Paragraph I of Article 20 of this law to finance the spending of his administration and to carry out his tasks in accordance with Article 5 of this law.

Article 23. Investment Credit Request

I. The Prefect can request, with the approval of the Departmental Council and in accordance with regulations of the Treasury and Public Credit National System, credit to finance investment programs and projects to be paid from the resources assigned by this law.

II. The departmental draft budget must include resources for paying principal and interests of the debt contracted and managed by the Prefect.

Title III

Single Chapter. Permanent and Temporary Regulations

Article 24. Transfer of Works and Projects

I. The works and projects related to the powers delegated in Clause f of Article 5 of this law that were being carried out by departments of the central administration, public entities of regional administration, and decentralized non-profit organizations are hereby transferred to the administration of the Prefect.

II. The international financing and the liabilities, if there are any, of part of the works and projects to be carried out are also hereby transferred. The necessary financing required to guarantee the continuity of the works and projects will be covered by the Prefects with resources specified in Article 20 of this law.

Article 25. Decentralized Entities and Organizations

The non-profit decentralized public entities and decentralized organizations of the central administration which are carrying out functions related to the powers delegated in Article 5 of this law are hereby dissolved. The human, physical, and financial resources are transferred under the Prefect's administration. The terms and methods of the transfer will be regulated by a supreme decree.

Article 26. Regional Development Corporations

The Regional Development Corporations are hereby dissolved. The assets of these entities are transferred to the departments under the administration and responsibility of the prefects. The terms and methods of the transfer will be regulated by a supreme decree.

Article 27. Regulation

The executive branch has the responsibility of promulgating the necessary regulations for this law.

Article 28. Enforcement

This law will be in force on 1 January 1996.

Article 29. Repeals

I. The following regulations are repealed:

Regulating Law of 28 September 1831 (powers and duties of prefects, governors, commissioners and mayors).

Law of 19 October 1833 (repeals Article 32 of Regulating Law of 28 October 1831)

Political and Administrative Organizational Law of 3 December 1888.

Supreme Decree 23845 of 18 August 1994 "Organizational Regulation of the Development Corporations."

Administrative Organizational Law of the executive branch Decree Law 10460 of 15 September 1972.

II. The following regulations are repealed:

Articles 28, 30, and 31 of Law 1551 of "Popular Participation" of 20 April 1994.

Article 39, clause 11 of the Municipal Organizational Law of 10 January 1985.

III. Changes:

Articles 58 and 68 of the Civil Code.

Articles 26, 32, 443, and 444 of the Commercial Code.

Articles 12, 13, 15, 17, 25, 28, and 63 of the "Patents Law" of 15 January 1918.

IV. The regulations that contradict this law are hereby repealed. These repeals will be complemented through the appropriate decrees.

Brazil

Government Submits Four-Year Plan to Congress

PY0709130495 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 6 Sep 95

[Passages within quotation marks recorded]

[FBIS Translated Text] President Fernando Henrique Cardoso today announced the administration's four-year plan [Plano Plurianual], in which it is estimated that Brazil will grow between 4.5 and 5 percent annually.

Attending the ceremony, which was held in the oval room at Planalto Palace, were cabinet ministers and pro-government congressional leaders. The administration plans to invest in the next four years nearly 459 billion reais [R] to repair roads, railroads, and waterways and thus facilitate the transportation of agricultural products to consumption centers to bring prices down.

The administration will also spend R70 million in social security benefits and in refurbishing 281 public hospitals. Teachers will receive incentives for purchasing teaching materials and children will have free meals during the 180 days of classes in the year.

Planning Minister Jose Serra said that the four-year plan, which has been drafted to comply with a constitutional provision, was submitted to Congress on 31 August. He said:

"The fact is that the draft plan will give way to a congressional debate. After examining and evaluating the plan, Congress will make a decision on it."

Serra said the administration wants the GDP to grow annually by 4 percent until 1999.

During the launching of the four-year plan, President Fernando Henrique Cardoso discussed the administration's stabilization program.

"...that our stabilization program has promoted the largest distribution of income ever in Brazil and, at the same time, the program has promoted a continuing economic growth. There was, however, one exception. What is the exception? That we cannot promote models of economic growth that would later bring about insurmountable difficulties. We are drawing on our past experiences: a well-formulated program such as the Cruzado Plan could not be successfully implemented because the required measures were not adopted at the appropriate time to curb certain expenditures and there was no way later to avoid either an overheating of the demand or a continuing fiscal deficit."

Cardoso said that all of the proposals included in the four-year plan are geared toward promoting a stable economic growth.

"We are thus refraining from proposing growth goals that are simply designed to generate optimism in terms of their large figures. The plan is estimated a steady average growth of 4.5 to 5 percent annually. Thus, we have overcome that pose, that approach of seeking growths ranging between 10 and 12 percent only to enter a recessive period later, disorganizing everything, provoking economic paralysis for some time, and then manage to grow again. No, no. We are seeking to maintain both a sustained and sustainable level of economic growth."

The president said that the plan was formulated on the basis of realistic foundations:

"The goals are not timid, but realistic. Realism is often mistaken for timidity. Some expect the administration to act hypocritically by proposing unattainable goals. We do not want that. We are going to approach this plan realistically."

Through this plan, the government seeks to build a modern, efficient state, in addition to reducing social inequalities.

Journalist Marizete Munda has the following commentary on the plan:

"The four-year plan is nothing but the definition of all the investments the administration is planning to make

in the next four years. The plan is based on the need to consolidate stability, which has been achieved thanks to the Real Plan.

"The planned investments will be basically made in the social and infrastructural areas so that the administration may deliver on its campaign promises: health, education, agriculture, jobs, and security.

"The plan states that the administration's actions during the next four years will be governed by three development strategies: the construction of a modern, efficient state; the reduction of regional and social inequalities; and efforts to improve the competitiveness of all Brazilian products."

Four-Year Investment Plan Figures Outlined
PY0709222895 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 95 p A4

[Report by Odail Figueiredo]

[FBIS Translated Text] Brasilia — The government intends to use 458.9 billion reais [R] over the next four years to modernize the economy, develop infrastructure, reduce social inequalities, and improve public services. This target is included in the Four-Year Plan (PPA), which President Fernando Henrique Cardoso released on 5 September. For the 1996-99 period, the plan provides for a 19.8 percent expansion of the Gross National Product (GNP), and for a 14 percent per capita income increase. Of the estimated expenses, R153.3 billion is for new investment.

The biggest news in the PPA, which under the Constitution should be submitted every four years, is that R140.5 billion is expected to come from the private sector, from foreign investors, from state and municipal governments and from other sources outside the national budget. During a session at the Oval Hall of Planalto Palace, which was attended by seven ministers and by the government leaders in Congress, the president emphasized that the Real Plan is necessary to attain all objectives of the PPA. He said: "The whole set of objectives is based on the presupposition that the inflation rate will remain under control."

The PPA, which was submitted to Congress on 31 August, expects to keep government accounts under control. "Unlike former President Juscelino Kubistcheck's Target Plan, and unlike the PND [National Development Plan] of the Ernesto Geisel administration, our program is not based on the expansion of the public deficit," says Planning Minister Jose Serra, who prepared the PPA. Implementation of the plan presupposes the approval of the Constitutional reforms proposed by the government, and the expansion of the privatization program.

Privatization targets, which are among the topics that has caused strong friction between the PFL [Liberal Front Party] and the PSDB [Brazilian Social Democracy Party], are relatively modest. Serra said the PPA estimates that the Rio Doce Valley Company will be sold in 1996, but the estimated privatization revenue is of R4 billion, an amount that consultants consider smaller than the value of the company. The minister evaded the subject by saying that "we are open to all proposals." He did not say if the government intends to accelerate the program. In the afternoon, the Planning Ministry reported that the estimate for 1996 — which was included in the documents released to the press — was wrong. However, no other figures were given.

By 1998, when the current administration period ends, the government expects to collect R21.4 billion from privatizations. The government has not made any estimate for the first year of the next president's term. Most of the revenues will be used to pay the public debt, which over the next four years will drop from 22.5 to 15.8 percent of the GNP. This will allow the government to allocate more money to social programs, which are one of the PPA priorities. The "social development area" will receive R300 billion by 1999, of which R184 billion will be to pay social security allowances.

Central Bank Head on Bank Crisis, Economy
PY0809185095 Rio de Janeiro O GLOBO in Portuguese 3 Sep 95 p 50

[Interview with Central Bank President Gustavo Loyola by unidentified reporter on 1 September; place not given]

[FBIS Translated Text] [O GLOBO] The expiration date for 25 percent of the Bank Deposit Certificates (CBD) on the financial system is 4 September. There are fears on the market that some of those certificates will not be renewed in the banks and that they will migrate to other institutions. Is the BC [Central Bank] concerned about this?

[Loyola] A considerable number of bank deposit certificates fall due on 1 and 4 September. Yet if the events on 1 September are repeated on 2 September, everything will be fine. The migration on 1 September was much smaller than expected, and this is positive.

[O GLOBO] Will the BC ease compulsory deposits even further in order to lessen possible liquidity crises?

[Loyola] The BC can reduce compulsory deposits if necessary. We are closely monitoring those flows, so that no bank encounters any problem. The BC has more than \$30 billion that can be used for that purpose.

[O GLOBO] Was the liquidity problem caused by the exaggerated compulsory deposits ordered by the BC, or is it a consequence of the Economico Bank crisis?

[Loyola] Compulsory deposits were put at the right level. It was necessary to do that in order to check the growth of the economy. Rather than being reduced because of a liquidity problem, compulsory deposits have been reduced because the BC was already easing the economic measures. It is a process that might continue. The Economico Bank issue is an isolated fact.

[O GLOBO] Are there any more banks with problems?

[Loyola] No. There is some concentration of liquidity, but this is temporary.

[O GLOBO] How far can the BC ease compulsory deposits?

[Loyola] We will go as far as necessary.

[O GLOBO] To avoid a crisis in the financial system?

[Loyola] That is the main BC duty.

[O GLOBO] Has any bank resorted to rediscounts because of liquidity problems?

[Loyola] Not for the time being.

[O GLOBO] Is the Banco do Brasil transferring funds to the banks with cash problems?

[Loyola] No. Banks have their liquidity reserves, which are always used. Banks adapt themselves to the situation. Fund transfers, however, are not that big.

[O GLOBO] The CMN [National Monetary Council] this week approved a slight easing of restrictions on consumer credits. Could the easing of credits and the reduction of rediscounts accelerate the economy too much?

[Loyola] It could. That is why this was not done.

[O GLOBO] Were government representatives at the CMN meeting willing to ease credit restrictions?

[Loyola] No. That was not the BC opinion. It was not considered urgent. Contrary to what was reported, there were no groups.

[O GLOBO] What is the government's opinion on the deceleration of the economy?

[Loyola] Deceleration concentrates in some sectors. There are reports of record sales of electric home appliances, while supermarkets sales stand at a good level. Deceleration affects some sectors, like the automobile sector.

[O GLOBO] In recent weeks, you have encountered several problems. The Economico Bank case, pressure

from Banespa [Sao Paulo State Bank] and Banerj [Rio de Janeiro State Bank], disagreements over CMN decisions...

[Loyola] (laughs) Indeed, there were many things. I'd rather take care only of the CMN. State banks demand a lot of work. In the case of Banerj, I believe we are on the right course. We adopted a solution accepted by the law, by which the BC places professional managers in a bank under BC trusteeship. This was never done before, but I believe it is a good idea.

[O GLOBO] What strategy have you used to obtain so many things?

[Loyola] First, the president and the Finance Minister support everything I do. Second, negotiations demand the understanding of the position of the people who are negotiating. For example, in the Economico Bank case, Senator Antonio Carlos Magalhaes rightly said that the bank is important for Bahia, and that for account owners it makes no difference whether it is a private or a state bank. We realized this and we are trying to expand coverage and find a solution for the bank.

[O GLOBO] Yet there was a time when you and Senator Magalhaes had divergent opinions. The president had to choose. If the president had supported that agreement, would you have resigned?

[Loyola] Perhaps.

[O GLOBO] What was the real source of your annoyance? Did you not accept the agreement?

[Loyola] I did. But no mention was made of public funds. That was the origin of the dispute. The BC agreed to refinance the funds it had to receive from the Economico Bank, but did not agree to spend more money to improve the bank's health.

[GLOBO] And Banespa? Is it a good idea to repay debts with state assets?

[Loyola] I believe it is positive. Sao Paulo has fiscal problems, and this is the only solution.

[O GLOBO] Will the BC accept, for example, airports as payment for the state debt with the bank?

[Loyola] Things are not like that. Real estate cannot be just thrown into the bank. I believe that an enterprise could be created to receive those assets and sell them in order to reduce the debt. It is necessary to devise a financial engineering system.

[O GLOBO] Has state bank pressure increased since the Economico bank affair?

[Loyola] Yes.

[O GLOBO] Why did the BC let the situation reach such a point? Wasn't it a bit too much to have lent 3.5 billion reais [R] to the Economico Bank?

[Loyola] That is a very subjective opinion.

[O GLOBO] R3.5 billion is not a subjective figure...

[Loyola] Actually, the Economico Bank was using R1.5 billion from BC funds, with guarantees. The problem is that enormous amounts were withdrawn in a few days, and the debt owed to the BC increased too much. We thus had to take action.

[O GLOBO] The BC will sustain that loss, unless someone wants to buy the bank. Is there any candidate?

[Loyola] At least three private groups are possible buyers, but I'd rather not disclose their names.

[O GLOBO] Did you talk with Economico Bank President Angelo Calmon de Sa?

[Loyola] He is the bank's owner. If a solution is found, he will obviously have to participate. However, he had to be removed. Under Brazilian law, he is still the owner, and the BC cannot make decisions on assets that it does not own.

[O GLOBO] Does the BC have a way to compel him to negotiate?

[Loyola] No, but his assets remain embargoed...

[O GLOBO] What assets? Aren't the assets that are registered to his name too little compared with the bank's debt?

[Loyola] There is a strong personal restriction...

[O GLOBO] Was anything done to track the funds withdrawn from the Economico Bank, which could serve to cover the bank's debt?

[Loyola] I can make no comments on that. It is the kind of thing about which no commentaries are made...

[O GLOBO] What can we expect from the economy from now on?

[Loyola] The economy will continue to undergo a slow deceleration process, with an annual growth rate of 5 to 6 percent. Even so, the rate is higher than before implementation of the Real.

Measures To Alleviate Situation of Debtors Viewed

PY0809020995 Rio de Janeiro JORNAL DO BRASIL
in Portuguese 1 Sep 95

Business and Finance Section p 11

[FBIS Translated Text] Brasilia — The government has decided to alleviate the situation of insolvent debtors and to leave for later measures seeking to loosen the grip

on credit. According to a decision made by the National Monetary Council (CMN), the insolvent debtors can negotiate debts that became due before 31 July and are already subject to foreclosure proceedings. Prior to 31 August, only debts that had become due before 31 May could be rescheduled. The CMN has also reduced from 18 to 15 percent the Financial Operations Tax (IOF) rate charged on bank loans, thus benefiting even special checking account holders.

Complying with Planning Minister Jose Serra's proposal, the CMN again allowed the use of leasing (operation that gives a person or company signing a rental document the right to purchase the goods when the contract term is over) operations for the purchase of vehicles by taxi drivers, freight companies, and car rental companies, as well as companies that have fleets of vehicles. These operations had been suspended since February. The government is thus seeking to improve the situation of vehicle manufacturers who have huge inventories as a result of the sales drop registered over the last few months.

The measures adopted by the CMN on 31 August also eased, slightly, the grip on consumption. They did not fulfill, however, the expectations of the Finance Ministry experts. These expectations referred to an extension in the payment term on bank loans, reopening of pools for the sale of electric-electronic appliances, and an increase in the number of installments for the purchase of vehicles through car pools. In the last few days, the team had been discussing these measures, which were also included in the CMN agenda, but the Central Bank (BC) rejected them.

The CMN decisions represented a victory on the part of the BC, which only plans to adopt more stringent measures to ease the grip on consumption beginning in October. BC President Gustavo Loyola said: "The adjustments are gradual and take into consideration the fact that indexes on the slowing of the economy are contradictory regarding some areas."

Although he had proposed more encompassing measures, Jose Roberto Mendonca de Barros, Finance Ministry secretary for economic policy, has justified the government's prudence in administering credit. He explained: "We are giving continuity to the process that reduces restrictions on mandatory deposits that the banks have to make in the BC, and decreases the interest rate. These measures tend to create liquidity (to increase the amount of money in the economy)."

Mendonca de Barros said that although bank loans have to be paid in up to three months, the stores offer several schemes for purchases in many installments. "We will have a normal increase in the level of sales

from Children's Day [12 October] until Christmas," he said. "Fiesp [Sao Paulo State Federation of Industries] has data showing that sales of the chemical and shoe-manufacturing areas have increased," Mendonca de Barros added.

Another decision the CMN made on 31 August referred to the real estate market. The IOF rate charged on the purchase of buildings decreased from 18 to 6 percent.

Here are the measures adopted by the CMN:

Rescheduling of Debts — A BC circular letter extends until 31 July the possibility of rescheduling debts that became due before this date. The previous deadline was 31 May. Only the debts or unpaid certificates subject to judicial foreclosure proceedings can be rescheduled.

IOF — The tax on loans granted to individuals dropped from 18 to 15 percent. The IOF charged on loans earmarked for purchase of buildings intended for commercial purposes dropped from 18 to 6 percent.

Leasing — Taxi drivers, car rental companies, freight companies, and companies that have fleets of vehicles can again operate with leasing (operation that gives a person or company signing a rental document the right to purchase the goods when the contract term is over). These operations had been banned since February.

Cooperative Banks — The CMN has authorized the agriculture cooperatives to create a commercial bank. As a result, there will be one more source of financing for the agricultural area.

Investment Funds — Compulsory deposits in the BC on new investment funds, which will go into force on 1 October, dropped from 5 percent to zero for investments with a term of more than 60 days, and from 10 to 5 percent for investment funds with terms from 30 to 60 days. Compulsory deposits for investment funds with extremely short terms will increase from 35 to 40 percent.

TR [Reference Interest Rate] — As of 1 October, the reducer applied on the TR will increase from 1.2 to 1.3 percent, and thus reduce the savings passbook profit. This percentage will also be increased on home mortgages and on debts that are corrected by the TR.

Fines — The BC will consolidate rules establishing fines to be charged banks that are late in supplying information to the government.

DRA [Automatic Reapplication Deposits] — The banks will be able to offer investment in the DRA with a profit below or above the Basic Financial Rate (TBF). Previously, the minimum the banks could offer was the TBF.

Deposit Insurance — The CMN has authorized the private and public banks to establish a nonprofit organization to administer deposit insurance, which will make it possible to reimburse account holders and investors of banks that go bankrupt the money they had deposited in these banks.

States — From now on, the profit state governments make when they exchange their certificates for federal government certificates can be used to pay state-owned companies' debts with the Union.

TJLP [Long Term Interest Rate] — The CMN has announced the TJLP that will be in force from September to November: 21.94 percent per year.

Congressional Work on Tax Reform Proposal Delayed

*PY0809024595 Sao Paulo AGENCIA ESTADO
in Portuguese 2114 GMT 5 Sep 95*

[FBIS Translated Excerpt] Brasilia, 5 Sep (AE) — The voting on the tax reform in Congress will be delayed. In response to a request submitted today by deputy Jose Genoino (PT-SP) [Workers Party-Sao Paulo], Luis Eduardo Magalhaes (PFL-BA) [Liberal Front Party-Bahia], the president of the Chamber of Deputies, ordered that all constitutional amendments dealing with the same subject be studied together (as annexes to the government proposal). The agenda of the Constitution and Justice Committee (CCJ) has 14 tax reform proposals.

In practice, the decision by Magalhaes entails a delay in the delivery of the tax reform report, which was scheduled for today. Deputy Regis de Oliveira (PFL-SP), the rapporteur of the government proposal, suspended the delivery of the report in order to permit the annexation of the other proposals. CCJ Chairman Roberto Magalhaes (PFL-PE) [Pernambuco] said that the delay will be inevitable. "We will need at least one week to put all amendments together and start the voting at the CCJ," he said. "The plenum will also need more time to study all the proposals."

Magalhaes ruled out the possibility of the delay being caused by the dispute between the PFL and the PSDB [Brazilian Social Democracy Party]. "Luis Eduardo Magalhaes had no other choice regarding the request," Roberto Magalhaes said. "The matter was raised by the PT." Deputy Jose Genoino denied that he intended to hinder the reform. "I filed the request in an effort to streamline the legislative procedure." Genoino's adversaries consider him a master in hindering voting processes, because he knows the regulations of the Chamber of Deputies very well. [passage omitted]

[Sao Paulo AGENCIA ESTADO in Portuguese at 2020 GMT on 5 September, in a related report, adds the following: "Considering that opposition lawmakers are likely to ask for copies of the rapporteur's report, the CCJ will vote on the report only in 15 days. If the government proposal is found to be consistent with constitutional principles, it must be submitted to a special Chamber of Deputies committee, which will have 40 sessions for approving a final report. The report will then be submitted to the plenum session, where it must be approved by three fifths of the votes, in two sessions. After all this, the Chamber of Deputies will vote on the reform proposal in December. The proposal is unlikely to reach the Senate in 1995."]

Government Submits Bill To Increase Military Salaries

PY0809005195 Sao Paulo GAZETA MERCANTIL
in Portuguese 1 Sep 95 p A3

[Article by Cesar Felicio]

[FBIS Translated Text] President Fernando Henrique Cardoso last night submitted to Congress a provisional measure to increase the salaries earned by various military categories. The increase will be implemented through a special bonus in order to avoid having to grant the same increase to civil servants.

In addition to the special bonus, a temporary bonus was also created. The temporary bonus will be paid over four months, until the end of the year. Fleet admirals, army generals, and lieutenant brigadiers — the highest ranks — will receive a bonus equivalent to 73 percent of their salaries (this percentage is 25 percent of the actual remuneration paid to a military man). The second-highest rank (Vice admiral, division general, and brigadier major) will receive a 68.8-percent bonus. Rear admirals, brigade generals, and brigadiers will receive 64.4 percent.

The percentage is proportional to the rank: A second lieutenant will receive only 26.6 percent. Special soldiers will receive a salary increase ranging from 37.7 to 4 percent, while other soldiers will receive from 37.7 to 4.9 percent.

These bonuses will cost 12.8 billion reais [R], which will come from government funds, from taxes on personal wealth [recursos destinados ao aumento do patrimonio liquido], and from funds from internal and external credit operations.

Temporary bonuses will range from R453.30 to R14.40, and will be proportional to the special bonuses.

Privatization Revenues of Companies Below Value of Assets

PY0709220595 Sao Paulo AGENCIA ESTADO
in Portuguese 2327 GMT 5 Sep 95

[Report by Odail Figueiredo]

[FBIS Translated Text] Brasilia, 5 Sep (AE) — The government will privatize the Rio Doce Valley Company and subsidiaries of Eletrobras [Brazilian Electric Power Company, Inc.] and Telebras [Brazilian Telecommunications, Inc.] for substantially less than the value of the assets of these enterprises. This information is included in a report President Fernando Henrique Cardoso submitted to Congress along with the Four-Year Plan for the 1996-99 period. This is the first time an official document mentions the value of state-run enterprises or a price at which they might be privatized. The auction of the Rio Doce Valley Company has already awakened reactions in Congress.

The report states that the government will collect 21.4 billion reais between 1996 and 1998, most of it from the privatization of the above three enterprises. Based on the value of the assets of the enterprises, treasury-owned stock in the three firms amounts to \$35.4 billion. For its calculations, however, the government used the market value of the stock. This reduced the price of the firms to \$12 billion. The estimated revenues are higher because the privatization announcement is expected to increase stock market prices. Even so, it does not reach the value of the company assets.

The president's report states that, based on the assets' criterion, the values are \$10 billion for the Rio Doce Valley Company, \$22 billion for Telebras, and \$65 billion for the enterprises of the Eletrobras system. Based on market prices, the values are \$8 billion, \$12 billion, and \$14 billion, respectively. The calculations take into account that privatization will affect only 80 percent of Telebras and Eletrobras, and that the government's participation in the total capital of the enterprises is 25 percent in the case of Telebras, and 50 percent in the cases of Eletrobras and the Rio Doce Valley Company.

Privatization of Rio de Janeiro Bank Begins

PY0809012595 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 2 Sep 95 Section 1 p 6

[Article by Francisco Santos]

[FBIS Translated Text] The Central Bank [BC] and the Rio de Janeiro State Government on 1 September began the privatization of Banerj [Rio de Janeiro State Bank]. An agreement was signed to replace the temporary BC

management system with a professional administration system to be chosen through a tender.

The Rio de Janeiro Government timetable foresees the professional administration system becoming operational on 1 January 1996. The professional system will make the arrangements for privatization.

BC President Gustavo Loyola said that it would be very good if the professional administration system could have Banerj ready for privatization on the last day of 1996, the expiration date of the special management period ordered by the BC on 31 December 1994. This period, however, can be extended.

The original timetable proposed by the Rio de Janeiro Government estimates that the privatization process will last 30 months.

The tender for contracting the professional administration system for Banerj will be ready on 4 October, and the winner will be chosen on 20 November.

Marco Aurelio Alencar, the Rio de Janeiro State planning secretary, said the winner of the tender will be prevented from buying a majority stock holding in Banerj, but will receive Banerj stock as part of the payment for its services.

The privatization of Banerj depends on the approval of an amendment by the state Legislative Assembly. Article 365 of the Rio de Janeiro State Constitution sets forth that the bank is "an asset that belongs to the people of Rio de Janeiro."

Governor Marcelo Alencar (PSDB) [Brazilian Social Democracy Party] said he will have no problems in obtaining a two-third majority from the 70 lawmakers. This majority is necessary to amend the Constitution.

Secretary Marco Aurelio Alencar said the enterprise that will prepare Banerj for privatization will be chosen in a tender that will be opened to local and foreign enterprises.

Gustalo Loyola said that "in theory," the project implemented with Banerj can be also used with Banespa [Sao Paulo State Bank], which is also under a special BC management procedure.

Marcello Alencar said Banespa will "inevitably" be privatized.

He said the current proposal by Sao Paulo Governor Mario Covas (PSDB) to pay some of the bank's debts seeks to resolve the problem of the Banespa balance but it will not resolve its managerial problems which will be resolved only through privatization.

During the ceremony at which the agreement was signed, Loyola said the banks do not have to be under

state control in order to serve their communities. He added that over the past 15 years, state banks have done "more disservice" than service. He added: "It was an invitation to fiscal collapse."

Alencar backed Loyola's remarks by saying that "public management of banks will always be bad."

He added that the process of healing Banerj will include the closure of the branches that register deficits, and some dismissals. He said voluntary dismissals will be fostered.

During this healing period, solutions will have to be found for Banerj's deficit, which at the time the BC intervention was ordered, stood at 550 million reals.

The Rio de Janeiro Government intends to obtain \$300 million from the Inter-American Development Bank to resolve Banerj's problem.

Minister Views Brazilian Role in Middle East

PY0809001295 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Aug 95 p A2

[Commentary by Foreign Minister Luiz Felipe Lampraia: "Looking at Peace"]

[FBIS Translated Text] A unique, bold peace process is taking place in the Middle East. Overcoming antagonisms, the peoples of the region are adopting courageous measures and creative solutions, creating opportunities for communication and cooperation, which aim at achieving the much wanted peace.

While the end of the Cold War unleashed potential conflicts, a possible settlement appeared for other disputes for which there was no solution in sight. The Middle East situation, which for a long time ravaged the region, is among them. The easing of tension after the end of the East-West conflict, and the acute convulsion of the Persian Gulf War, decisively contributed to the start of an eagerly expected peace effort.

The Conference of Madrid of 1991, when Israelis, Palestinians, Syrians, Jordanians, and Lebanese met for the first time, marked the start of a complex and delicate process whose outcome was difficult to predict. The courage and determination of those responsible for the conversations, and the unequivocal wish for peace of the vast majority within those countries, provided the essential foundations for a future of hope and harmonious co-existence. Even though the speed of developments has not yet met the initial expectations, the process is now irreversible, with achievements whose relevance cannot and should not be underestimated.

Our country is determined to actively engage in the peace process in the Middle East, consistent with

Brazil's devotion for peace and with its ability and capacity for participating in world decisions. We want to expand our political dialogue with the parties, both at a bilateral and at a multilateral level, without pretending to have magic solutions, but with the conviction that we can calmly and efficiently contribute to a mutually profitable understanding. We have special ties with the region, which has remarkably contributed to our social background and to our society's feeling of modernity. The harmonious coexistence of Arabs and Jews in our country adds weight to the reliability of our position, backing Brazilian diplomatic practices with the essential domestic support.

We have several points of coincidence with Israel, which have certainly gained new features since the start of the peace process. Our two countries, each in its own context, bet on the globalization of the economy. Israel has a Free Trade Agreement with the United States, EFTA [NAFTA], and with the EU. By the end of 1995, Israel will renew an agreement with the EU. Brazil is actively engaged in an integration process with its neighbors, with visible and productive results, like in the case of Mercosur [Common Market of the South]. Brazilian-Israeli trade in 1994, worth about \$200 million, is clearly behind the options created by their dynamic economies and by the degree of supplementation between them. This situation can be rapidly improved with incentives for the transfer of technology and for common investment, with active entrepreneurial participation.

In the institutional area, it should be noted that the two countries began conversations about the transportation sector in January, with a view to signing an Air Transport Agreement that will strongly bolster tourism and cultural exchange. In the scientific and technological area, we have immense possibilities that will gain new importance following the reactivation of existing instruments, and through the creation of new cooperation structures.

The coincidences also include a cultural and educational rapprochement, which is outlined in the program that the two countries established in April 1994. To summarize, Brazil and Israel have a bilateral agenda that should be reviewed from a constructive, cooperative point of view, without constraints. The dialogue in which our two governments are engaged is the path that will lead to understanding and to the promotion of our coincidences.

My visit to Gaza was particularly important, at a time when the Palestinian people are making a remarkable effort in a large variety of areas. The historical Declaration of Washington, signed by Rabin and 'Arafat in April 1994, and the Agreement on the Gaza Strip and

Jericho, signed in Cairo in the following month, are documents that have restored the dignity of the Palestinian people. Despite the difficulties ahead concerning the process of independence of the occupied territories, there are justified expectations about the conclusion of the Intermediate Israel-PLO Agreement — known as Oslo-2, which is scheduled to be signed at the beginning of September in Washington. Brazil is confident that the Israeli and Palestinian leaders will continue their efforts toward mutually acceptable solutions, bearing in mind the desire for freedom, security, and the dignity of the people involved.

Brazil, which has supported the UNRWA — a United Nations organization that helps Palestinian refugees — intends to cooperate with that effort. To this end, Palestinian officials will meet with a Brazilian multi-sectoral exploratory mission at the beginning of September in Jericho and in the Gaza Strip. The objective of the meeting is to study cooperation in agriculture, transportation, health, sanitation, industry, education, and public administration.

Brazil warmly welcomed the signing of the peace treaty between Israel and Jordan on 26 October 1994 in Wadi Araba/Arava. This ceremony was attended by then Brazilian Foreign Minister Celso Amorim. That promising event created new major expectations about ongoing negotiations in the region.

It should also be noted that a multilateral economic summit will be held in October in Amman. This summit will seek to draw economic benefits from the peace progress in the region. Either through government action or through private initiative, Brazil will play a major role in this process, as it did in the Casablanca Conference in November 1994. Consequently, the project for a common market in the Middle East — which is a visionary project — has begun to show concrete, practical results. It is a symbol of the peace process underway in the Holy Land.

The persistence of the Middle East conflict has several times compelled Brazil to adopt positions which, even if it did not displease any of the parties, certainly did not reflect a consensus among those involved in the conflict. On all such occasions, from the historical voting at the UN General Assembly presided over by Oswaldo Aranha in 1947, which created the state of Israel, to the permanent support for Resolutions 242 and 338 of the Security Council, the Brazilian position has strictly complied with international law and with the principles established in the United Nations charter. The Brazilian position has also been marked by a sincere desire for peace. Brazil should therefore properly play its historical

role, resolutely joining the set of nations working toward this unprecedented, exemplary peace effort.

Brazil, which strongly supports negotiations as the way to settle conflicts, has played an outstanding role in the peace negotiations and in the building of a consensus in major international forums. Consequently, the Brazilian government could not fail to express its full political support for the peace initiatives that are being negotiated and implemented in the Middle East, rejoicing with the parties involved and wishing them the best success.

Lampreia Discusses Foreign Policy Priorities

PY0809151395 Sao Paulo ISTOE in Portuguese
6 Sep 95 p 98

[Interview with Brazilian Foreign Minister Luiz Felipe Lampreia by Jayme Brener in Jerusalem; date not given]

[FBIS Translated Text] [Brener] How would you evaluate Brazilian foreign policy, which is trying to show the world that Brazil can play a more significant international role?

[Lampreia] Brazil used to be seen abroad as a rather misbehaved country, especially in terms of human rights and of the government's attacks on the environment. We are now demonstrating that our democracy has been consolidated and that our economy is stable because we have brought inflation under control. We have also made it clear that we have ruled out every prospect of implementing a long-range missile construction program, nuclear weapons included, through our space program. All this has played a key role in enabling us to enhance our participation in the international decision-making process.

[Brener] Do you mean that we are now closer to obtaining a permanent seat at the UN Security Council?

[Lampreia] That is one organization toward which we would like to further project our action. I am not saying, however, that we are going to subordinate our foreign policy to achieving this goal. We are not conducting a diplomatic campaign to obtain that seat, but we are willing to assume the responsibilities stemming from it.

[Brener] Are we on the right track to achieve that goal?

[Lampreia] The issue is that today there is no international consensus regarding the need to expand the UN Security Council, whose current permanent members are the United States, Russia, China, France, and Great Britain.

[Brener] For many years the Brazilian Army had worked on the theory of a possible war against Argentina. Today, there is concern about the situation prevailing

in our borders with Colombia, Bolivia, and Venezuela, primarily because of the drug trade.

[Lampreia] There are only small problems in the most populated areas, such as our borders with Argentina and Uruguay. Actions must be taken in sparsely populated areas. The first one is cooperation among governments, which has already been instrumental in reducing problems with Venezuela over the migration of Brazilian gold prospectors. Another solution could be found through the action of transnational organizations [organismos transnacionales], which could reduce the drug trafficking ordeal.

[Brener] What about Mercosur [Common Market of the South]?

[Lampreia] It is another priority for Brazilian foreign policy. We are strengthening our ties with our three Mercosur partners (Argentina, Uruguay, and Paraguay) and we would like to increase the number of Mercosur member countries. This would of course be a essential step for increasing our global role. After all, any party negotiating with Brazil is now already negotiating with a market that is larger than the Brazilian economy. Our association with Mercosur is also allowing us to make progress in our relations with traditional partners such as the United States and Western Europe.

[Brener] You have been the first Brazilian foreign minister to visit Israel since the 1970's. Does this represent a major shift in the Brazilian foreign policy, which had been much closer to the Arabs in the 1970's and in the 1980's?

[Lampreia] At that time all of our oil imports came from Arab countries. Today, we are purchasing 100,000 barrels daily from Argentina and 110,000 barrels daily from Venezuela. This is already showing a difference. There has been only one major change; that is, our estrangement from Iraq as a result of the international sanctions imposed on Saddam Husayn's regime. Our bilateral trade with Iraq once totaled \$4 billion annually. Then, of course we moved away from the Middle East, although this was not our decision. For instance, we are now seeking to reshape our ties with Lebanon.

[Brener] Brazil earlier sent a peacekeeping mission to Mozambique and it is now sending another one to Angola. We are also reorganizing the navies of Namibia and Cape Verde. Has southern Africa become a new target for developing our economic and diplomatic relations?

[Lampreia] There is an enormous range of possibilities that we intend to pursue in that area, not only in the countries you mentioned, but also in South Africa and

Zimbabwe. The former Portuguese colonies in Africa are playing an excellent role as ports of entry for us.

[Brener] What about South Asia and Southeast Asia, where some of the world's most dynamic economies are located?

[Lampreia] We have longtime relations with Japan, and growing relations with China. There are, however, virtually unexploited areas such as India, Vietnam, and Malaysia. President Fernando Henrique Cardoso is scheduled to visit these countries soon.

Cardoso Speaks on Human Rights

PY0709223895 Rio de Janeiro TVE Television
in Portuguese 1440 GMT 7 Sep 95

[Address to the nation by Brazilian President Fernando Henrique Cardoso, on the occasion of Brazilian Independence Day, from the Alvorada Palace Gardens in Brasilia — live]

[FBIS Translated Excerpt] Ladies and gentlemen, Chief Justice Pertence, Brasilia Governor Cristovam Buarque, ministers, representatives of the various segments of Brazilian society:

Today, 7 September, is our main national celebration. It is a day on which, for 173 years, our people have commemorated the story of our fight for freedom: the struggle to end slavery, the old slavery; the struggle to have free, clean elections; the struggle to have a constitution that would guarantee our rights; the struggle for the rights of workers; the struggle against totalitarianism both in Europe and in Brazil; the struggle against authoritarianism; and the struggle to restore democracy.

That struggle for freedom, which is blended with the struggle for democracy, is a relentless one; it is a daily struggle. We have achieved major victories in this struggle. We are building a true democracy in Brazil. The words of Milton [Nascimento, a Brazilian singer/composer] explaining why and how he has conveyed abroad his feelings of love for Brazil are an example of this struggle. They are proof that we are gradually achieving a significant goal here; that is, we are not only ensuring the existence of free, democratic institutions, but we are also promoting a feeling of love among children, adults, and senior citizens, as well as among these groups and their fatherland.

Today, there is a great desire to participate. Today, we — when I say we, I am referring to all Brazilians — are organizing to defend nature, to defend the rights of consumers, to continue to fight corruption, and to defend the rights of men and women in every way in which the fight for freedom may be broadened to

allow greater participation. The fight is also designed to defend equality. Differences of sex or gender should not prevent a human being from achieving self-fulfillment. We are struggling to promote respect for the various stages of human life, for children and for senior citizens alike; and we are struggling to provide decent treatment for handicapped persons because they are entitled to be treated with respect.

We are struggling to end discrimination against Indians and blacks. This year, when we will be commemorating the 300th anniversary of the Zumbi [chieftain of the free black "republic" of Palmares in 1695], we should take great pride in stating that ours is a multiracial society and that it is a great privilege to have different races and different cultural traditions coexisting here. This diversity is indeed an asset for any country in today's world.

As we approach the 21st century, the fight for freedom and democracy has a specific name: it is called human rights. This is a new name for the struggle for freedom and democracy. [applause]

On this symbolic date for Brazil, we are also witnessing our people's will to not simply talk about human rights, but to ensure their protection. Each area of society must do its part in defending human rights. The administration as a whole, and not just because of the president's personal commitment, has chosen to fight this battle. The Labor Ministry is engaged in a relentless struggle against what is called slave labor.

Yesterday we attended a ceremony at which not only Milton, but also Gil [composer Gilberto Gil], presidents of major trade union confederations, have endorsed the slogan promoted by the labor minister: On the threshold of the 21st century, we can no longer tolerate forms of inhuman labor conditions, child labor, or forced labor — which is often called slave labor. The administration is alert to all this. It is engaged in a relentless fight against this type of human degradation.

We have launched a program that will allow, in keeping with the conditions prevailing in Brazil, all destitute senior citizens over 70 and handicapped individuals to be entitled to a minimum wage. This will benefit tens of thousands of people, perhaps millions, I do not know. Yet, this is a responsibility of the state. All the administration is doing is what society wants it to do in this regard.

The Justice Ministry is also engaged in fighting child prostitution and in promoting the teaching of human rights to police forces. Therefore, the executive branch has adopted the attitude which Brazil, particularly teenagers and children, expects from us. Not everything,

however, depends on the executive branch. We count on the legislative branch's efforts in this regard. The legislative branch has an enormous responsibility in this area.

Despite the constitutional provision, torture has not yet been classified as a crime. We will have to move in this direction.

A 1994 proposal to reformulate the Human Rights Defense Council [CDDPH] must be approved so that it may assume its responsibilities more effectively. Many years ago I took part in the CDDPH as an opposition representative and, at a certain point, I resigned because I realized that it was useless, since the CDDPH lacked the tools. We knew, however, who the criminals were, those who committed several violent crimes in Brazilian rural areas over land disputes or engaged in all other forms of banditry, but we did not have the required tools to effectively fight and punish the perpetrators of these crimes.

A proposal submitted to Congress this year seeks to protect witnesses in criminal investigation processes because, due to the lack of a protection program, witnesses have often felt inhibited and have been unable to testify about what they truly know. Thus, society cannot meet its objective of restoring public dignity and, on other occasions, of deterring human rights violations through the judicial system.

The judicial branch will also have the opportunity to contribute to this issue; to comply with the yearning of Brazilians to clarify crimes, to turn this page — as I have recently said when commenting on the case of missing people — in its history. I believe there are several serious violations of human rights that have not been cleared up, such as the massacres at Carandiru Penitentiary, at Candelaria, at Vigario Geral, the case related to the disappearance of teenagers at Acari and, more recently, the killing of landless people at Corumbiara. We need instruments that can ensure the stiff punishment of these crimes. Not for the sake of vengeance — because rancor and hatred will not reconstruct a Brazil that has love for human beings and respect for human rights — but to ensure conditions for coexistence.

It is often unacceptable to know that there are criminals who can go unpunished, irrespective of the nature of the crime, whether or not it is white collar crime. It is true that often justice is not served because the courts do not have the instruments, the adequate laws, and they often lack even the material means to act more expeditiously.

In sum, it is necessary for everyone to commit himself to promoting the struggle for human rights which today, I

repeat, entails the true struggle for democracy. [passage omitted]

Taking into account the needs, we are emphasizing all human rights related programs.... [changes thought] We are now creating the Human Rights Award [Premio Direitos Humanos], which will be presented on 10 December, the anniversary of the Universal Declaration of Human Rights. It has been possible to set up this award thanks to the cooperation of those businessmen who agreed to contribute to funding it. We are creating an award committee consisting of 11 personalities — whose names will be announced later — and chaired by the justice minister. The award will be presented to that non-governmental organization, that individual, or that government organization that may have excelled in the struggle for promoting human rights.

I believe we must also formulate a National Human Rights Plan. Brazil played a truly active role in drafting the Vienna Declaration issued in 1993. The time has come for us to show in practice, at the domestic level, how we are going to struggle to put an end to impunity, and how we are going to ensure that human rights are respected. [passage omitted]

Cardoso Expropriates Land To Settle 1,500 Families

PY0609145795 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 6 Sep 95

[FBIS Translated Text] President Fernando Henrique Cardoso has signed 14 decrees expropriating 40,343 hectares of land in 11 states in order to settle 1,500 families. So far, the Cardoso administration has expropriated almost 980,000 hectares of land and settled 16,000 families.

Each family receives the so-called subsistence financial assistance, which consists of loans to buy food, tools, and agricultural supplies to begin their farming activities.

Kuwaiti Delegation Visits Congress, Asks For Support

PY0709170295 Sao Paulo AGENCIA ESTADO in Portuguese 2205 GMT 6 Sep 95

[FBIS Translated Text] Brasilia, 6 Sep (AE) — A Kuwaiti congressional delegation today visited the Brazilian Congress to convey gratitude for the Brazilian government's support for Kuwait during the 1990 Iraqi invasion. The delegation, which consists of seven lawmakers, is led by Ahmad al-Sadhum, president of the Kuwaiti National Assembly. Al-Sadhum met with Senator Julio Campos (Liberal Front Party-Mato

Grosso), second vice president of the Senate Al-Sadhum has requested that Brazil continue to support Kuwait at the United Nations, which has been rejected by Iraq. He said Kuwait would like the United Nations to recognize its independence and it is asking for the release of nearly 600 prisoners who are being held in Iraqi prisons.

Chile

European Congressmen Seek Economic, Political Ties

PY0909023795 Madrid EFE in Spanish
2028 GMT 7 Sep 95

[FBIS Translated Text] Santiago, 7 Sep (EFE) — Spanish Eurodeputy Gerardo Galeote said today in Santiago that the cooperation agreement that is in effect today between the European Union (EU) and Chile must become an economic, political, and cultural association.

Galeote, of the European Popular Party (Christian Democrat), recalled that the European Parliament has viewed and supported the process whereby Chile recovered democracy, and added that this institution firmly supports the political commitment to this country. For this reason, they included it in their tour of Latin America.

Galeote is heading a delegation of 11 European congressmen who arrived in Chile on 5 September to review with Chilean officials the conditions for an agreement between the EU and Chile.

After two days of meetings with government officials, businessmen, and workers, the European congressmen agreed to include new matters in the negotiations with Chile, which, according to Spanish Socialist Ana Miranda, refer to science and technology, technical matters, the environment, and tourism.

Miranda said that the Foreign Economic Relations Commission of the European Parliament expects to end its report on Chile before the end of the year.

We hope that in this manner "we might be able to accelerate, to the extent possible, the entire process. The Spanish presidency (of the EU) expects this to happen," Miranda said.

According to the European MP's, the EU hopes to sign, by the end of this year, the agreement that it will begin negotiating with the Common Market of the South (Mercosur) on 14 September, and upon concluding negotiations with Chile, it will begin negotiating a similar agreement with countries of the Andean Pact.

They also ruled out the possibility that, in the short term, the simultaneous Chilean negotiations with the

EU, Mercosur, and NAFTA, as well as the Asia-Pacific Economic Cooperation (APEC), will become incompatible.

Galeote said the EU respects the Chilean decision to negotiate simultaneously, and added that in the short term, he does not see any difficulty, although there are doubts with regard to the long term because "once Chile eventually joins Mercosur as a full member, there could be some sort of overlapping of agreements."

In the political field, Galeote said that the European Parliament maintains the so-called need for existence of democratic conditions clause to give the green light to economic negotiations.

He thus said that the EU has "a maximum interest" in the constitutional reforms Chilean President Eduardo Frei submitted to Congress.

The EU MP's also met with Chilean Vice President Carlos Figueroa, in the absence of President Eduardo Frei, who is in Mexico, and with several ministers. The delegation will leave today for Argentina.

France Not Expected To Reject Chile's Partnership With EU

PY0809210095 Madrid EFE in Spanish
1943 GMT 7 Sep 95

[FBIS Translated Excerpt] Santiago, 7 Sep (EFE) — Acting Chilean Foreign Minister Mariano Fernandez today said he does not expect Chile's strong protest over the French nuclear tests will prompt the latter to oppose Chile's efforts to begin a partnership with the EU.

When journalists asked, Fernandez said these were two separate issues. "There is a place for everything," he said.

The acting foreign minister said: "We take a hard line on nuclear issues and we will join the international drive for a lasting moratorium within the framework of the United Nations, but we will not change our economic and cultural relations with France because they are highly developed and very important." [passage omitted]

Pinochet's Remarks Provoke Commotion in Congress

PY0809182395 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 8 Sep 95

[FBIS Translated Text] A serious and unusual incident took place yesterday in Congress when Deputy Ivan Moreira of the UDI [Independent Democratic Union] pushed and insulted Deputy Jorge Schaulsohn, president of the PPD [Parties for Democracy], after an argument

over the comments made by General Augusto Pinochet yesterday.

[Begin recording] [Unidentified reporter] At the request of the PPD, the chiefs of the congressional blocs met to evaluate the comments made by General Pinochet. It was after the meeting that the following incident took place.

[Schaulsonh] I believe the people should clearly understand that Gen. Pinochet seriously hurt the prestige of Congress yesterday and in reaction to this the right-wing groups of this country are annoyed. But the right-wing groups don't have either the courage or the moral integrity to defend the immunity of Congress and the state of law.

[Moreira] This nut [Schaulsonh] is giving his show again [words indistinct].

[Schaulsonh] Because there is no place in the world where a judgment on congressmen can be made.

[Moreira] I am not going to calm down. The only thing this man has done is to speak against Gen. Pinochet. I am the one who is always being attacked and censured in this Congress. The Coalition of Parties for Democracy is annoyed because I tell the truth. I will fight to the end. If the party wants to expel me it can but I will not accept that this foul-mouthed Schaulsonh continues to judge the Armed Forces. The time has come for him to stop his show. He should fight like a man but he is really a coward. He is the one doing the show. Go ahead and criticize me, go ahead and give all the news conferences you want. But ladies and gentlemen, even if I continue to be criticized, I would like to say as a real man that Chilean politics are dirty.

[Reporter] This created a commotion in Congress. There were different reactions from deputies:

[UDI Deputy Andres Chadwick] I believe Deputy Schaulsonh deserves that treatment. Deputy Schaulsonh is permanently harassing and offending the Armed Forces. Obviously patience was eventually going to run out and someone was going to react the way Moreira did.

[National Renewal Deputy Carlos Vilches] I absolutely reject the idea that we should have to resort to aggression to impose ideas, principles, and values. I absolutely reject today's event involving Deputies Moreira and Schaulsonh. But I do believe that Schaulsonh has permanently and systematically provoked many people in this country.

[Socialist Party Deputy Camilo Escalona] I would like to say emphatically that I reject and condemn threats. I do believe that public debate should concentrate on

basic problems. Here, inappropriate and out-of-place terms were used to reject the proposals submitted by the president. This reaffirms that the essence of the issue here is whether we consolidate the state of law or the military tutelage in Chile.

[Reporter] The PPD did not discard the possibility of taking judicial action as a result of this event.

[PPD Deputy Martita Woerner] It should remain quite clear that after struggling so hard for democracy, for creating the conditions for expressing ourselves freely, we will not allow insults, aggression, and berating.

[Reporter] Chamber of Deputies President Jaime Estevez said that as this event occurred outside the chamber's floor, according to regulations no sanctions can be made. Estevez said that in order to prevent this type of incident, it is necessary to create an ethics committee. [end recording]

Additional Proceedings Delay Contreras' Imprisonment

PY0809234995 Madrid EFE in Spanish
2335 GMT 7 Sep 95

[FBIS Translated Text] Santiago, 7 Sep (EFE) — The Third Chamber of the Chilean Supreme Court today ordered two additional proceedings which have further delayed the judging of General Manuel Contreras' appeal against the rejection of his request for an injunction. This means that his imprisonment to serve his seven-year sentence will also be delayed.

The former Chilean secret police chief remains at the Talcahuano Naval Hospital in southern Chile, where he was taken on 13 June to prevent his imprisonment in Punta Peuco, 40 km north of Santiago.

As former chief of the defunct National Intelligence Directorate (Dina, the secret police of General Augusto Pinochet's military regime) Contreras was sentenced by the Supreme Court on 30 May 1995 to serve seven years for masterminding the assassination of former Chilean Foreign Minister Orlando Letelier in 1976.

The Third Chamber of the Supreme Court today asked the Talcahuano Naval Hospital and the Forensic Service to provide separate reports on the health of the prisoner to determine whether he can be moved to Punta Peuco prison.

This chamber, which is made up of three justices and two lawyers, must rule on Contreras' appeal against the rejection of an injunction he has filed before the Appellate Court of Concepcion, a town near Talcahuano.

The former secret police chief is using this procedural device to stay at the Talcahuano Naval Hospital and avoid imprisonment at Punta Peuco.

The judging of the appeal has thus been postponed until next week after the court gets the two reports it has asked for today.

Brigadier Pedro Espinosa, retired, who was Dina's foreign operations director and was also sentenced for Letelier's murder, has been serving his six-year sentence at Punta Peuco prison since 20 June 1995.

New Faction Forms in PS

95SM0475A Santiago EL MERCURIO In Spanish 31 Jul 95 p C2

[FBIS Translated Text] The new faction of the PS [Socialist Party] called the Socialist Left, which is headed by Francisco Rivas, has announced its decision to make its own choices in the internal party election scheduled for this coming December, as well as its conviction that the capitalist system needs to be replaced with another system—a socialist system.

These were the decisions approved by the 208 socialist leaders and militants from all over the country who met at the headquarters of the ANEF [National Association of Government Employees] last weekend to establish the basic principles for its actions within the PS. The outcome was a political statement revealed yesterday in which they criticized the current party leadership.

This faction is a product of the split in the so-called New Left, which was headed by the current president of the PS, Camilo Escalona. Last week the group also announced it will urge socialists never to vote for a Christian Democrat again, as happened during the presidential elections in 1989 and 1993.

The political statement approved by the Socialist Left asserts that the PS is experiencing a profound crisis in terms of its policy, organization, and strategic definitions. This is the result of the logic that has guided the actions of leaders who have become alienated from the basic work of the party—the construction and organization of the social fabric.

In this connection, the document charges that because of the postponement of the Socialist Project Conference, the membership is continuing to be stripped of its ideological tools. And what is more serious, because the PS does not have a clear plan and a strategy that can rally the socialists around the plans for the transformation of society, the party has lost touch with the social reality and is in danger of becoming a party concerned only with its political representation in the government and the parliament.

In this connection, the Socialist Left has expressed "its absolute conviction of the need to replace the capitalist system with another system, one we term socialist, in which solidarity, social justice, equality of opportunity, support of the most neglected sectors, and a continuing struggle against all forms of alienation are reflected."

The Socialist Left also explained that with a view to moving closer to this form of social organization, its members are demanding a PS that is revolutionary and oriented toward Latin America, with its culture and its history of social struggles. It is also suggested that the collective could "rebuild itself toward the left, not only within the party, but also incorporating the sectors located to the left of the PS."

In order to achieve this, it is suggested that proposals be drafted and addressed to each social sector, including neglected groups such as the elderly, the handicapped, ethnic minorities, the unemployed, and individuals experiencing extreme poverty, within the framework of the continuing action of the PS with the workers of Chile.

The members of the Socialist Left also set forth a promise to denounce any evidence of corruption found among the members or leaders of the party who occupy public positions. They also promised to work to reincorporate the militants excluded or expelled from the party because of their defense of the basic principles of the PS in the recent past.

The participants in this meeting agreed to organize a national coordinating board, and they chose Francisco Rivas to head the board. Its members will include Paddy Ahumada, Carlos Moya, Fernando Belloni, Esteban Silva, Carlos Fuentealba, Jorge Marin, Fernando Alvarez, and Rodrigo Mundaca, among others. The participants in the meeting also voted to promote the candidacy of Rivas in the next internal PS election, which is scheduled to be held in December.

Pension, Tax Adjustments Announced

95SM0475B Santiago EL MERCURIO in Spanish 2 Aug 95 pp A1, A12

[FBIS Translated Text Excerpt] Minister of Finance Eduardo Aninat has announced that on Thursday or Friday, a ceremony will be held at La Moneda to promulgate the law that provides for a 10 percent increase in the lowest pensions and a five percent average increase in school subsidies. This was preceded by the Constitutional Court (TC) rejection of the protest filed by fifteen opposition senators against the taxes for which this proposal provides.

He estimated that the increase in the taxes on gasoline for automobiles and cigarettes should not lead to price

increases of more than eight or nine percent, depending on what the distributors do, with a one-time impact of 0.2 to 0.3 points on the IPC.

The tax increases will go into effect as soon as the law is promulgated, while the pension and school subsidy increases will be effective as of 1 September.

The 10 percent increase in pensions for individuals receiving less than 100,000 pesos per month will benefit 1.1 million retired persons, while the increases of between three percent and 12 percent for school subsidies will benefit 2.5 million students in the schools of all types that qualify for subsidies.

Aninat said that the government is pleased by the Constitutional Court judgment that recognized the juridical-legal and economic defense put forward by the executive branch on this issue, although he expressed regret that this proceeding caused a delay of one month.

In addition to this statement, Minister of Interior Carlos Figueroa, speaking in Buenos Aires, said that the rejection by the Constitutional Court of the appeal filed by 15 opposition senators makes it possible to demand that the country undertake further efforts and engage in actions evidencing greater solidarity with the most vulnerable population groups.

The 15 opposition senators who filed the appeal last 11 July objected that the increase of 10 percent in pensions of less than 100,000 pesos, as well as the increase in school subsidies, will be paid for by the 10 percent increase in the taxes on gasoline and cigarettes. They alleged that the imposition of taxes for specific purposes is unconstitutional.

The counterargument put forth by the government was that whenever a measure authorizing expenditures is approved, the Ministry of Finance has a duty to explain how it will be financed. In this case, the sum in question, which is intended to benefit more than a million pensioners, comes to about \$150 million. Half of this sum will be financed by the tax increase, while the balance will come from greater fiscal savings and improvements in the tax collection process.

The opposition senators who challenged the constitutionality of financing pensions by increasing gasoline and cigarettes taxes were Sergio Diez, Sergio Romero, Julio Lagos, Enrique Larre, Alberto Cooper, Ignacio Perez, Miguel Otero, Mario Rios, Bruno Siebert, and Francisco Prat, of the RN [National Renewal]; Eugenio Cantuarias and Hernan Larrain, of the UDI [Independent Democratic Union]; and Olga Feliu and Sergio Fernandez, institutional representatives.

Yesterday, some of those who filed the appeal and opposition leaders expressed their disappointment with the judgment handed down by the TC. However, they indicated that the only possible course now is compliance. In the Concertation, satisfaction with the judgment was expressed, and leaders of the DC [Christian Democracy] and the PRSD [Radical Socialist Democratic Party] warned the center-rightists that abuses of the right to file appeals with the Constitutional Court will not be tolerated.

Further Measures Planned

Minister Aninat said that toward the end of the month, the work of the legislature on another draft law submitted to the Congress by the government should be completed. This law will increase widows' pensions. As a result, some 155,000 widows will probably receive a 10 percent increase in September above and beyond the increase for which the other initiative provides.

The minister reiterated the government's promise to the Congress to submit a draft law for a five-percent increase in the minimum pension sums for retired persons over 70 beginning on 1 January 1996. This increase will be financed out of the six billion pesos the tax authorities expect to obtain as a result of the requirement that banks report real interest paid on deposits to the Domestic Tax Service.

Real interest paid on deposits is subject to the income tax, but only half of the taxpayers are paying what is due in this connection. The balance manage to avoid paying this portion of the tax sum due because the supervisory body does not have these reports available.

The minister noted that these measures of support for the most vulnerable population groups are included among those announced by the government on 21 May. The presidential message delivered on that date described seven other social programs that will be included in the national budget for 1996. The purposes of these programs range from providing funds for the support of the elderly by providing medication and equipment to the expansion of the age groups covered by school subsidies. [passage omitted]

Unresolved Human Rights Cases Viewed

95SM0475D Santiago EL MERCURIO in Spanish
9 Aug 95 p C6

[FBIS Translated Text] Whatever juridical or political solutions can be found in the future for the pending cases involving the violations of human rights committed between 11 September 1973 and 11 March 1978, under the provisions of Decree Law Number 2191 of

1978 pertaining to amnesty, will affect approximately 200 cases.

This figure was the reason for the broad debate that developed about the so-called Aylwin Law. This law represented an unsuccessful effort on the part of the former chief of state, who proposed speeding up the court trials involving uniformed officers in a legal initiative sent to the Congress in August of 1993. However, it was subsequently withdrawn when an effort to reach agreement within the Concertation itself was frustrated.

At that time, the Christian Churches' Social Aid Foundation (FASIC), the entity responsible for a large number of the trials being heard by the Vicarage of Solidarity, said that the number of cases was about 200.

Meanwhile, General Fernando Torres, the general counsel for the Army, said that these trials involved fewer than 1,000 uniformed personnel, both active and retired, in the Armed Forces and the Carabineers. He added that two or three individuals were involved in each case.

For its part, the government in office at that time made it known through Minister Enrique Correa that General Torres had informed the executive branch that the trials affecting military personnel would come to a total of 230.

The FASIC now estimates that the figure provided two years ago may have been reduced by about 10 percent as a result of the provisional or final dismissals effected under the provisions of the amnesty law in the course of the past 24 months in some 20 cases.

Amnesty Granted

The text of Decree Law Number 2191 stated specifically that the case involving falsified passports, which was then under consideration and was subsequently referred to the courts because of the murder of Orlando Letelier in September of 1976, was not covered by the benefits of that amnesty provision. After hearings on a series of court levels, the trial was concluded this year with the conviction of General Manuel Contreras (Ret) and Brigadier General Pedro Espinoza.

However, again because of the possible effect on Chile's international relations, the Supreme Court appointed another of its members, Eleodoro Ortiz, to investigate the trial held in connection with the murder of ECLA [Economic Commission for Latin America] official Carmelo Soria in July of 1976. This case was not excluded by the law.

In the past three years, there have been a number of judicial decisions handed down by the higher courts in which the amnesty law was applied. And there have

been cases involving persons who were arrested and subsequently disappeared that have been definitively concluded without any identification of those responsible or any determination of the whereabouts of the victims.

That is the situation with the trials pertaining to the kidnapping and disappearance of the brothers Juan Carlos and Jorge Andronico Antequera and Luis Gonzalez Manriquez in October of 1974, and the disappearance of MIR [Movement of the Revolutionary Left] leader Alfonso Chanfreau Oyarce in July of this year.

PDC Supports Current VAT Level

95SM0476A Santiago EL MERCURIO in Spanish
5 Aug 95 p C3

[FBIS Translated Text] The president of the Production and Trade Confederation (CPC), Jose Antonio Guzman, does not consider it necessary or warranted to keep the VAT [value-added tax] at 18 percent. He believes it should be reduced to 17 percent as originally planned, although he acknowledges that this is a decision that the tax accord left up to the president of the Republic, and "he is fully entitled to exercise that power."

Last Thursday Minister Aninat announced that he will recommend that the president keep the VAT at 18 percent next year, pointing out, among other things, that revenues from direct taxes on individuals and businesses have declined, and that the trade agreements Chile has signed with countries such as Mexico that cut tariffs to zero next year will result in a drain on resources.

The Christian Democratic Party (PDC), through its President Alejandro Foxley and its First Vice President Jorge Pizarro, has supported the minister's proposal. The two party officials agreed that the resources generated by this tax are needed to maintain social spending.

This decision will undoubtedly be adopted in September when the draft budget for 1996 is submitted to Congress.

Guzman said yesterday that Minister Aninat's argument failed to consider an important factor: The economic growth experienced in the country has brought unexpected revenues into the treasury, in addition to the revenues generated by the tax reform undertaken to meet social spending needs.

Guzman contended that whatever decision the president makes, it should fall within the general macroeconomic context, in which, he said, the reduction of public spending is very important for meeting objectives such as strengthening the currency and cutting inflation.

Public spending has been on the rise in recent years, and Guzman expressed the hope that now that the draft

budget for 1996 is under study, this trend will not continue.

The finance minister, on the other hand, noted that the president of the Republic has the power to decide whether to keep the VAT rate at 18 percent for 1996, in accordance with the agreement made with all of the opposition sectors.

The tax accord among the government, the Coalition [Concertacion], and the opposition, signed in 1993, states: "The permanent VAT rate shall be 17 percent. However, in 1994 and 1995, that tax shall remain at its current rate. In 1996 and 1997, the president of the Republic shall have the power to reduce it to 16 percent or increase it to 18 percent, depending on the macroeconomic conditions prevailing at the time."

When asked whether there has been any change in the rules of the game, the cabinet minister categorically denied it, pointing out that nothing is changing here. The tax accord gave the president the power to keep the current rate of 18 percent for two years, and therefore, he said, between now and the end of the year, the president can decide whether to keep it at 18 percent for 1996.

PDC Support

The president of the Christian Democratic Party, Alejandro Foxley, and the first vice president, Deputy Jorge Pizarro, yesterday expressed their agreement with the finance minister that the VAT should be kept at 18 percent to maintain the government's social spending policy.

Specifically, the head of the PDC, who as finance minister signed the tax reform measure in 1993, recalled that when the reform program was designed during the administration of President Patricio Aylwin, the executive branch claimed that the VAT must be maintained at 18 percent. The reasons given then are still valid today, because there are very important social tasks still to be carried out, and they require fiscal resources.

The leader indicated that because we must at the same time maintain a balanced budget, the country should get used to the idea of an 18-percent VAT as a permanent and necessary rate.

He pointed out that the possibility of reducing the VAT arose in 1993 at the instigation of the right, and that an agreement was reached with the opposition to transfer to the president of the Republic the power to determine the tax rate within a range of 16 to 18 percent, in keeping with the need to balance the budget and meet public spending commitments.

In Foxley's opinion, the circumstances have not changed since this agreement was forged in 1993, and today's public spending requirements make it necessary to keep the tax at 18 percent.

With respect to the impact on low-income consumers, the PDC president stated that the cost of passing on the higher VAT rate to prices already occurred when the rate was raised, so keeping it at the current rate will not have any further impact.

The question is, what public spending would have to be sacrificed if the VAT were reduced, said Foxley, because when the rate was raised to 18 percent in 1993, it was agreed that the bulk of the revenues thus collected would go to social investment, which is what is happening today. Therefore, the initial effect of cutting the VAT would be a downward adjustment of some social programs.

He added, however, "It is my understanding that there is a consensus in the country that we must make a greater social effort, not a lesser one."

Deputy Jorge Pizarro

Jorge Pizarro agreed with Foxley in this regard, noting that the country needs to strengthen its social investment in the people, and it is imperative that there be no reduction in the resources available to the state.

The congressman stated that Minister Aninat's proposal to keep the VAT at 18 percent is a good one because it does not threaten any macroeconomic balance; on the contrary, it has been shown that the state must play a very important role in redistributing resources and orienting them toward the most underprivileged sectors.

"I hope the community understands that commitment to solidarity," added Deputy Pizarro, "and acts accordingly. The need to invest in training, education, health, and infrastructure can be met only by the state, since the private sector has shown that it has no interest or ability to concern itself with these matters."

"Therefore, if we want to build a more egalitarian society with better opportunities for all, it is essential that we keep this additional two percent in the VAT," concluded the PDC vice president.

Allamand on RN View of Military Government

95SM0476B Santiago EL MERCURIO in Spanish
7 Aug 95 p C2

[Article by special correspondent Claudio Salinas M.]

[FBIS Translated Text] Punta de Tralca—The president of National Renewal (RN), Deputy Andres Allamand,

yesterday told his party's mayors and city councilmembers gathered at this seaside resort that if the RN aspires to be a viable alternative to the current government, it must have a sensible and balanced vision of the past. This means that, while appreciating the great accomplishments of the military government, it must admit that unjustified violations of individuals' rights were committed during that period.

Similarly, he accused the Coalition [Concertacion] of being adept at handling only the political transition, while being incapable of giving a new impetus to the modernization for which the groundwork was laid during the military regime.

The opposition leader expressed these thoughts in a speech yesterday at the closing ceremony of the second congress of RN mayors, councilmembers, and regional cabinet members, held at the coastal resort of Punta de Tralca.

During this event, the representatives of the RN in municipal and regional governments studied innovative proposals to improve the local administration of health and education programs, evaluated the functioning of the regional governments installed in 1993, examined the progress of efforts to reform city charters, and developed the framework of the party's campaign strategy for the municipal elections to be held in July of next year.

The congress was organized with technical support from the Liberty Institute, headed by Pedro Daza, and the Hans Seidel Foundation.

In his closing address, Andres Allamand described the major themes that should be part of the RN platform in the municipal elections. He also mapped out the general coordinates of the party's position within the overall political scheme in the nation today.

On a strictly local level, he emphasized the need for RN representatives to promote fundamental principles such as the direct election of mayors, encouragement of community plebiscites, the regionalization of candidate slates and electoral pacts, the dual subordination of the central government, increased resource allocations to municipalities, defense of the exclusive purviews of local government, closer monitoring of city councilmembers, and municipalities as the vanguard of the struggle against poverty.

Putting the Past Behind Us

In the second part of his speech, the deputy described the efforts the party is making to find a lasting solution to the problems of the transition.

He warned, in this regard, that if Chile is incapable of putting the past behind it and creating an atmosphere of final reconciliation, it will waste the historic opportunity that has appeared before it. He indicated that our country is falling behind in the reconciliation process, which is causing difficulties and internal tension, not to mention the obvious tarnishing of its external image.

He emphasized that Chile is recognized by other countries as having a great democratic tradition and civic maturity, in addition to having had the most successful military government in this part of the world. Nevertheless, the first items on the agenda are the problems stemming from the interruption of democracy 25 years ago.

Allamand stressed, in this context, that the "Proposal for Peace and the Future," being promoted by the Union for Chile, is gaining ground because it provides a balanced solution to the problems of the past, enabling us to close a painful chapter in our country's history.

Military Government

The RN president also mentioned that the party should strive to approximate the military government, and on this point he emphasized that if it aspires to be a viable alternative to the current government in this country, it must be capable of sustaining and conveying a sensible and balanced vision of the past.

He stated that in the final analysis, National Renewal has a positive view of the military government. He explained this assertion by noting that the military intervention was legitimate and necessary to put an end to a period of anarchy that was leading the country to the disintegration of its identity.

In addition, he stressed that the economic and social transformation engineered by the military government will always be valued because it had the foresight to launch an innovative social market economic program in Chile.

Moreover, he praised the military regime's handling of border problems with neighboring countries and its adherence to the institutional agenda that culminated in the plebiscite of 1988 and the presidential elections the following year.

Despite all of the above, he stated that the RN should have the intelligence, maturity, and equanimity to recognize that, especially in the period after 1978, individual rights violations that he termed "unjustified" were committed under the military government.

Coalition Obsolete

At the conclusion of his speech, the deputy noted that in the current political situation, it is clear that the Coalition has proven to be adept at solving the problems of the transition, but it is showing signs of premature obsolescence because its members have differing visions of the future. The conflicts among its constituent parts and their appetites for power are becoming more and more apparent.

He emphasized in this regard that the Coalition is not an ideal political formula for bringing about the modernization of the country because it lacks the vision, ideas, inspiration, and political will to accomplish this goal. In his opinion, National Renewal does have these qualities.

After detailing the limited achievements that have been made on matters such as the Copper Corporation (Codelco), sanitation, health, ports, and education, the opposition leader accused the government of being unable to modernize the country and argued that, in this sense, the center right has a huge political space to occupy.

Human Rights Figure on Military Arguments 95P21026A

[FBIS Media Note] In two columns in the Santiago daily *LA NACION*, Jaime Castillo Velasco, president of the Chilean Human Rights Commission, responded to military criticism of the Supreme Court ruling in the Letelier case.

In his first column, on 2 August, Castillo maintained that two more generals—Alejandro Medina Lois, former president of the University of Chile, and Ernesto Videla, former under secretary of foreign relations—have joined Augusto Pinochet, Julio Canessa, Santiago Sinclair, and Ronald MacIntyre in saying that the Supreme Court ruling is "unjust" and contains procedural irregularities.

Castillo argued that while all these generals have expressed full confidence in the Supreme Court rulings against those who opposed the military regime, their objections to the Letelier ruling are based on "politicization" and the fact that the case was transferred from the military to the civilian courts. Castillo noted that since Videla and other generals attended the trial in support of the defendants, they should not attribute the "politicization" only to the other side. Castillo also observed that Videla is in a "very special" position, since officials under his orders at the time of the Letelier murder have admitted to providing false passports to DINA (National Intelligence Directorate) agents.

As for the "irregularities," Castillo pointed out that the critics are forgetting that the transfer to the civilian courts was necessary to maintain Chile's relations with the United States, and that the military courts "were constantly expressing their intention to close the case." He said that if the officers felt the ruling was unjust, they should do what the victims' lawyers did in 1980 when the military courts wanted to close the case: study the documents and refute the court's conclusions. He declared: "We are certain that if the generals did this in a responsible way, the rest of the Army and the public would stop defending the indefensible. Whether the former under secretary of foreign relations believes it or not, the 12,000 pages of the case file lead to a single conclusion: The DINA organized and carried out the murder." Castillo further noted that in their criticisms, the military officers had "not even touched on" the investigation carried out by Judge Adolfo Banados.

Castillo advocated that in the cases concerning criminal actions by both the military regime and its opponents, "we can only see to it that those convicted receive humane treatment while they are serving their sentences" and that they "may little by little reflect on their conduct and the debt they owe their compatriots. So that, at the proper time, they may be pardoned! Then, as the former under secretary wishes, we will be able to forget."

In the second column, on 17 August, Castillo responded to further statements by Videla in favor of a "political truce" and the application of the 1978 amnesty law. Castillo cited Videla's argument that "interpretations" of the 1973 crisis "will only lead to deepening the differences between the different national sectors, with the aggravating factor that the Armed Forces will have to defend what they did." Videla was also said to have accused the Allende government of "using arms to carry out the Marxist project" and President Allende of permitting "the entry of arms into the country." In defense of the military's actions, Videla said: "We all knew that the solution to the crisis...would be harsh and traumatic," and so "there should not be an exhaustive investigation nor the establishing of responsibilities." He said that the country has to accept that there was a military government and an "abnormal situation," and "if we do not do this, we will be planting the seeds of the conflict that will erupt 15 or 20 years from now."

In response, Castillo pointed out that the Popular Unity government had not been monolithic and had not controlled the legislative or judicial branches, nor most of the military: "It was a situation of struggle, but not a system of absolute government that violated human rights." In addition, the Popular Unity parties have engaged in self-criticism and changed their positions since then. Second, he contended, even though it was

a "very harsh confrontation, accepting everything and turning the page" is not the only option. Third, Videla's statement about a potential future conflict is a threat that the military will cause another crisis if it is held accountable for anything.

Castillo further argued that in the case of the military government, the situation had not been a civil war but one in which an established regime that controlled the executive, legislative, and judicial branches violated the rights established in the Constitution and international law. He asked: "If we must resolve this situation with an amnesty decreed by the same government that committed the violations, then we must ask why the Universal Declaration of Human Rights and the constitutional guarantees exist?" Castillo reminded readers that one of the aims of establishing democracy was to end state "excesses" against the citizens, and that those who wanted the violations to be forgotten were defeated in two consecutive votes (the 1988 plebiscite and the 1989 elections).

Castillo concluded: "We regret having repeated these background details, but if high-ranking persons begin to express doubts about the sentence for the murder of Orlando Letelier, it is reasonable that we would be harsh toward all those who could have known about it and today do not speak."

Colombia

President Samper Welcomes Venezuela's Caldera

PA0709161995 Santa Fe de Bogota Invision
Television Canal A Network in Spanish
0230 GMT 7 Sep 95

[From the "QAP News" newscast]

[FBIS Translated Text] At a solemn act held at Congress, Venezuelan President Rafael Caldera on 6 September made his brief visit to Colombia.

President Ernesto Samper was not at Catam Military Airport. He received his Venezuelan counterpart as Caldera arrived at the presidential palace, welcomed him, and gave him military honors. Caldera was then subjected to an onslaught of questions from reporters and Colombian businessmen. During the luncheon Samper hosted at the presidential palace, he toasted Caldera's happy stay, and Caldera toasted Samper's personal happiness.

[Begin Caldera recording] I toast for the success of your government, for the success of Colombia, and for the brotherhood of our peoples to become more effective in placing deeds above words. [end recording]

The two governments agreed to resume the negotiations on the demarcation of marine and submarine areas and

to extend the deadline to pay off the debt owed to Colombian exporters.

In addition, in order to honor his commitment, President Samper issued a decree guiding the return of all stolen Venezuelan cars. Despite the good news, Caldera insisted on the issue of the Gulf of Venezuela during his visit to Congress.

Samper: Nation Emerging From 'Crisis'

PA1109032995 Santa Fe de Bogota Radio and
Television Networks in Spanish 0130 GMT 11 Sep 95

[Address to the nation by President Ernesto Samper Pizano from the Guest House in Cartagena; date not given—live or recorded]

[FBIS Translated Text] Colombians, in Colombia we have gotten used to the fact that the president speaks only in times of difficulty. Today, I am going to tell you that I have very good news. The week that has just ended was undoubtedly a good week. We learned that the August inflation rates are the lowest rates in the last 10 years. All of us together will achieve the Social Pact's goal of reaching an 18 percent rate. If each one of us — the private schools, the service companies, mayors, industrialists — contributes one's bit, I am confident we will succeed.

Unemployment has also continued to decrease, and the economy is growing, is indeed growing. We are creating new jobs. For the first time in many years, exports have exceeded imports. This means that we are collecting more dollars than the ones we are spending. The most prestigious international firms have recognized the soundness of the economy, which is far better than those of many countries in the area. Colombia continues to be the best destination for foreign investments. This is why it surprises us that certain local prophets insist on creating a pessimistic outlook, which does not exist, in order to erode, with their bad omens, a climate of confidence offering all Colombians possibilities of moving forward.

The social solidarity network is working. This week, I sent to Uraba network contributions that had been pledged to the widows and orphans of the massacres. I still have embedded in my heart the look of the 8-year-old girl whose father was killed in Uraba and who, with tears in her eyes, asked me for a doctor, a teacher, and a house. As my government ends, there will be more Colombians with jobs, houses, school opportunities, and with a bed in state hospitals. We will continue to work to this end.

Last week was also good because we received definite support from the Latin American community in the

meeting the Rio Group held in Quito. I told the 14 American presidents who attended the meeting about what Colombia has lived through and what we have suffered because of the fight against drug trafficking. I told them about the thousands of policemen, judges, and journalists killed. I also told them of the attack against me and the manner in which I was able to quash the so-called Cali Cartel without firing a single shot and without sacrificing a single innocent life.

They really liked the tale I narrated to them to demonstrate to them that what is happening to Colombia today could also happen to any of them or to any of their countries tomorrow. The tale goes as follows: some friends are riding a sleigh through the steppes when a pack of hungry wolves appears. The besieged friends decide to throw one of them at the beasts to mitigate their hunger. Not long afterward, the wolves return, and they throw a second friend at them. The story goes on until the wolves eat all the friends and keep the sleigh. Moral: This is how we could end up if we refuse to understand that the drug trafficking problem is a problem whose solution depends on all of us.

I also told the presidents about the political crisis we experienced in the last few weeks due to the investigations on the infiltration of ill-gotten money in the past campaign. I assured them, as I have assured you several times, that no one in Colombia is more interested in explaining, in swiftly explaining these episodes than I am.

The ovation Colombia received in Quito was very impressive. This week I also received with pleasure the support from former President Gaviria and his rejection of reports circulating even in Latin American diplomatic circles on the existence of an alleged plot in which he was reportedly involved. I have no doubts that the persistent attacks against my government from persons who were part of the previous administration were carried out without former President Gaviria's knowledge. That is also very good news the country wanted to hear for several days.

Colombians can be assured that we will emerge from this crisis well and quickly. You can also be absolutely assured that at the end, the truth will shine and justice will prevail. With the Cali Cartel in jail, no one can ever doubt my determination to firmly and persistently fight the terrible epidemic of drug trafficking. It is the same determination I showed during my campaign, the sincerity of which I am now demonstrating with actions that have earned national and international recognition.

I never had any pact with the Cali Cartel. The fact that its chiefs are now in jail proves this. I invite all of you to be calm and sensible, so that justice can judge, and the

government can govern for the benefit of all Colombia and all Colombians.

I can assure you that these days have not been easy for me or for my family. Never before in Colombian history — as far as I can remember — has any president and his family been so severely and unjustly judged. Even my mother was accused and ridiculed just because she was a teacher. She was a teacher from whom my brothers and I have learned what finally will be clear in all this process: honesty is a rule of conduct throughout our lives. Fortunately, during these hours when our souls are in pain, we have received the solidarity and prayers from many Colombians. To all of them I say thank you.

More good news is that the call against violence I made a few days ago is working. Workers, businessmen, academicians, parliamentarians, magistrates, intellectuals, governors, mayors, all have enthusiastically responded to our invitation. We decreed a state of internal disturbance. Some people said that the arguments invoked did not reflect an exceptional situation that could justify declaring a state of internal disturbance in accordance with the constitution. Such a peculiar interpretation would be tantamount to saying that since we have always been killing ourselves, we cannot issue special laws to stop those killings; or that since kidnappings have always existed, we cannot issue special laws to prevent more kidnappings; or that since the jails have always been unsafe, special laws to put order in the penitentiary system are not necessary; and since Uraba has always been a no-man's land, why try to issue special laws to make that region a land for everybody in a hopefully not too distant future.

Only a few days after the state of internal disturbance was declared, we are already noticing a different climate. With the decree that changed certain infringements of the law into crimes to be judged by penal judges, in a few days we have been able to arrest more than 2,000 urban criminals on whom judgment will be passed under the new procedures in one or two weeks.

We will continue confronting actions carried out by armed groups.

This week we captured an important leader of the ELN [Army of National Liberation] with a valuable intelligence file, which they intended to use to support despicable terrorist actions. Had the internal disturbance decree not existed to punish the members of criminal organizations, this individual would have been released in a matter of weeks. With the decree of internal disturbance, he could well be sentenced up to 70 years.

Dr. Alberto Villamizar, the new antikidnapping czar, will immediately face the challenge of implementing an

ambitious strategy to put an end, once and for all, to this crime, which concerns all Colombians. Let us show that this country belongs to honest persons, to peace-loving, working men, to all the good heads of families. Let us also demonstrate that Colombia is not a territory for corrupt persons, for villains, or violent persons.

Dear friends, as you can see, the government is continuing on its path. I am not going to relinquish the commitment I made when I took office as president of the Republic to make our country more livable for a greater number of fellow citizens. I am not going to stop working for the humble people of Colombia, for the mothers who are heads of households, for the unemployed youths, for the destitute elders, for the blacks, for the Indians. I am not going give up searching for the truth in the trials that are under way today and from which, I can assure you, our democratic institutions will emerge strengthened.

I am also not going to give up touring the country, as I did this weekend in regions of the Atlantic Coast that were affected by flooding, so that the people will know that the president belongs to all Colombians. I am not going to give up restoring the assurance to the common citizen, who wants to be able to leave his home with the peace of mind that he will later return to his loved ones safe and sound. In short, I am not going to give up this second opportunity that God gave me to serve you, the good people of Colombia, who are my people. Good night.

Samper on Alleged Attempt Against His Life

PA1009012995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0016 GMT 10 Sep 95

[Report by Gelber Vega from Santa Marta]

[FBIS Translated Text] President Ernesto Samper Pizano said on the afternoon of 9 September that he knows nothing about various media reports attributing to guerrilla groups an alleged attempt on his life during his recent visit to the Republic of Ecuador.

President Samper has said categorically that he is not afraid; I am not afraid because, he who is aware of his duties and responsibilities should not be afraid. The Colombian president, after touring several municipalities of Atlantico Municipality to assess the magnitude of the problems caused by the rains, said that he is enjoying a second opportunity in life and described it as a lagniappe.

Meanwhile, Colombian intelligence organizations announced that they will ask the Ecuadoran Government to provide detailed information about the five arrested,

who were presumably going to attack President Ernesto Samper during his stay in Quito.

Mr. Samper said that he will not change his way of life, responsibilities, or obligations in any way.

Alberto Cardenas Appointed 'Antikidnapping Czar'

PA1009202795 Santa Fe de Bogota Inravisión Television Canal A Network in Spanish
0000 GMT 9 Sep 95

[From the "Seven O'Clock News" newscast]

[FBIS Translated Text] Alberto Villamizar Cardenas, whose wife and sister were victims of kidnapping, henceforth will be the person who will dedicate himself to fighting kidnapping in Colombia. Villamizar will be given a free hand, including the authority to meet with the guerrilla forces, but only to talk regarding kidnapping issues.

[Begin Villamizar recording] Regarding the subversive organizations, if they are willing to talk on that issue, I think it would be very important to do so because they are responsible for 50 percent of all kidnappings. [end recording]

For Villamizar, the issue goes much further than mere talks. Villamizar believes the law should be changed to be more effective in making the masterminds answer for the crime.

[Begin Villamizar recording] A great deal of effort must be made in that regard. Legislation must also tends toward this because kidnapping is, perhaps, the crime which has the fewest specific arrests and persons charged. [end recording]

In conclusion, the antikidnapping czar said that if strong measures are needed in certain cases, the government must prepare to act accordingly.

Uraba Violence Said Test of Recent Decrees

95CA0373A Santa Fe de Bogota EL TIEMPO in Spanish 31 Aug 95 p 4A

[Commentary by Enrique Santos Calderon: "From Uraba to Bogota"]

[FBIS Translated Text] Uraba has become the government's greatest immediate challenge.

At stake there, as nowhere else, is its capacity to respond to the violence, the seriousness of the internal disturbance decrees, and the effectiveness of all the measures and plans for economic assistance that it has announced for this region: in other words, its credibility.

And it is not clearly evident how the government will be able to guarantee law, order, security, or development when, on the day after the presidential visit, the Chigorodo massacre occurred, followed by an almost daily series of murders exchanged between "paras" and guerrillas. They culminated in the frightening cold-blooded execution of 19 laborers, sympathizers of the reinstated EPL [Popular Liberation Army], by the heroic guerrilla fighters of the FARC [Revolutionary Armed Forces of Colombia].

There have been over 50 murders in this area since President Samper launched his great National Crusade Against Violence. It is difficult to imagine a more direct, brazen challenge to everything that he has been proclaiming.

The immediate response has been to send another high-level commission with the defense and interior ministers. And the president himself is returning to Uraba today, this time to Carepa (a trip for each massacre?). I suppose it will be to announce further measures and aid.

But what can he do that he has not already tried? A curfew? General disarmament? Could they be implemented in an area in which the state has virtually lost its sovereignty?

More of the same? More money, besides the 360 billion that he promised two weeks ago? More troops, besides those already assigned and the Elite Battalion (one of two existing in the country), which has spent a month in Uraba? How and when that money arrives, and what it is to be spent on, is something else. As is what the troops stationed there are doing, and how they are acting.

It has been proven that the Army's presence, of itself, does not change things. Uraba is perhaps the most militarized region in the country, and yet such things are happening there. It would give the impression that the forces are never where they should be. In any event, there has not been a single forceful strike against the factors for violence (the FARC, the EPL dissidents, the paramilitary groups, etc.), which are moving about at will.

It was predictable that the subversives would respond to the declaration of internal disturbance with more action. The shootings in Carepa are only part of a macabre situation, including acts as serious as the seizure of Miraflores, or the death, by ambush, of the Bafin (Marine) Battalion commander in Corozal. Not to mention the wave of kidnappings, including that of a British diplomat.

I am afraid that the worst is yet to come, and that the government will not be prepared to respond. Nor do I

think it will produce the results that the people expect, or prove the effectiveness of a few national edicts and emergency measures issued in the heat of other political pressures.

I hope with all my heart that I am mistaken, and that the government's declared will to combat terrorism and crime head-on, without so much hesitation, will soon be translated into acts that restore the people's confidence in it. I hope that they will convince us skeptics that all this has not been a smokescreen, or a diversionary maneuver, which could prove costly and counterproductive. The events to date have not been encouraging.

The debate on Uraba in the Congress deserves separate mention, especially speeches as pathetic as those of Senator Valencia Cossio, author of the Conservative support for the government. He has taken advantage of this region's tragedy to engage the governor of Antioquia in a scheming political debate, and to question the security measures adopted by the latter, using the pretext that they have fostered paramilitarism.

For this to be said by a Communist senator, such as Hernan Motta, is understandable. They prefer to denounce paramilitarism, and to remain silent about the policy of extermination being carried out by the FARC against the rival politicians from the UP-PC (Patriotic Union-Conservative Party) in Uraba. But, with allies such as Valencia Cossio, it is incomprehensible how the government can maintain a consistent position on law and order.

The other side of what is happening in bleeding Uraba is the arrival of the Search Task Force [Bloque de Busqueda] in a Bogota that is devastated, and besieged by the crime.

This is a decision that has had a positive psychological impact on a citizenry that will applaud any measure that could reduce the crime being suffered by the capital. Here too, however, I am beset with doubts about its real, immediate effectiveness.

Apart from the prosecutor general's criticism of what he considers a premature withdrawal of the Cali Search Task Force, and the reservations expressed by Mayor Mockus and several council members, the fact is that the Search Task Force consists of only 200 men. They are specialists in confronting highly sophisticated, centralized criminal organizations, which in no way resemble Bogota's dispersed, chaotic crime situation.

The Cali Cartel is one thing, and the countless rings of muggers, thieves, kidnappers, youth gangs, neighborhood militias, and other elements comprising the criminals in the capital are something else. However, let us

hope that the Search Task Force is capable of this new task, so that the results of all this will not, we beg, be limited to publicity or psychological effects.

More specifically, so that the government's action against the insecurity in Bogota will produce more results than it has achieved to date in Uraba.

Ecuador

Peru Fully Reopens Commercial Border

PY0909035495 Madrid EFE in Spanish
1935 GMT 7 Sep 95

[FBIS Translated Excerpt] Quito, 7 Sep (EFE) — Peru has fully opened its commercial border with Ecuador on the Huaquillas International Bridge, in southern Ecuador. This information was disclosed by Angel Jumbo, director of the Huaquillas Chamber of Commerce, who thus denied reports to the contrary.

Jumbo told EFE that "the opening of the border to trade has been a fact since Wednesday, 6 September, in the afternoon, when "traffic of every type, including products, people, and vehicles, through the international bridge was authorized."

Jumbo added that "we can prove that vehicles, carts, and people have crossed the bridge from Peru as well as Ecuador. In June, Ecuador opened its border unilaterally. [passage omitted]

Vice President To Testify Before Supreme Court

PY0909023695 Quito Voz de los Andes in Spanish
2300 GMT 8 Sep 95

[FBIS Translated Excerpt] Quito — Ecuadoran Vice President Alberto Dahik will testify before the Supreme Court of Justice and the National Congress for presumed embezzlement of discretionary funds and bribery. This report was released by Dahik's lawyer, Walter Guerrero, who added that the vice president will testify this time before the Supreme Court. Guerrero said that Dahik will comply with the second court summons because the Supreme Court is now headed by an unpressured man.

Current Supreme Court President Carlos Solorzano is not politically pressured, as was his predecessor, Miguel Macias, Guerrero said, justifying Dahik's refusal to testify the first time. He said that next week Dahik will testify before the Supreme Court, which has announced impeachment proceedings for presumed embezzlement of state funds.

Wilman Costa, of the Ecuadoran Conservative Party, said that Dahik, speaking to Congress on 7 September over a national radio and television network, clearly

proved his innocence by demonstrating that the handling of discretionary funds has been correct. There is hatred, and the only objective is to harm and to offend the vice president, Costa said. [recorded passage omitted]

Foreign Minister Satisfied With Summit Results

PY0809125095 Quito Voz de los Andes in Spanish
2300 GMT 8 Sep 95

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has expressed his satisfaction over the results of the Rio Group and Andean Pact summits held in Quito. On this occasion, in addition to carrying out its normal tasks of seeking agreements and consultations, the summit has taken some steps forward by establishing working groups in an effort to consolidate regional integration, Leoro Franco said.

He added that the Rio Group summit has also served to continue the bilateral Ecuadoran-Peruvian reconciliation process and to make it more effective, because the Peruvian president came with the idea of reopening the commercial border, a decision for which Ecuador has been waiting a long time.

Peruvian Ambassador Signals Progress in Relations

95SM0485A Quito HOY in Spanish 25 Aug 95

[Editorial received via Internet]

[FBIS Translated Excerpt] The accreditation of Hugo Palma, a career diplomat, as Peruvian ambassador to Ecuador is one more symptom that the decline in tension between Ecuador and Peru is continuing.

The ambassador from Lima is a figure of the highest importance in the harmony which the two neighbors should maintain, despite historical differences on the subject of the border between them.

Let us not forget that one of the ingredients in the deterioration in relations in 1994—which led to the unfortunate military clash in the Alto Cenepa River area at the beginning of 1995—was the publication of an interview contracted for by the Embassy of Peru, in which citizens of Ecuador were asked for their views on the Protocol of Rio de Janeiro of 1942.

Then it was considered by many groups that Eduardo Ponce Vivanco, the former Peruvian ambassador to Ecuador, had interfered in the internal affairs of Ecuador. This led to his being given the "cold shoulder" by some of the Ecuadoran press and by various political and even business groups.

It is to be hoped that Ambassador Hugo Palma will know how to conduct himself with the traditional caution and sensitivity of officials of the Ministry

of Foreign Affairs of Peru. At least his first public statements appear to be aimed in that direction.

We are not unaware that his task will demand all of his talent, for the conflict in the Alto Cenepa area—like any war—left wounds which will take a long time to heal. Ecuador is seeking to overcome all of the difficulties left behind by war, and not to ignore the fact that the two countries are committed to a process of peace whose objective is the definitive solution of the old quarrel between the two countries. Under present circumstances, that process has presented itself as an historic opportunity for the two peoples to begin a common future of harmony, peace, and joint development. [passage omitted]

Congress President Explains Macias Dismissal

95SM0489A Guayaquil EL UNIVERSO "SUNDAY"
SECTION in Spanish 27 Aug 95 p 5

[Interview with Congress President Fabian Alarcon; date and place not given: "The Trial of Macias Is Part of a Process"]

[FBIS Translated Text] The President of the National Congress, Fabian Alarcon Rivera, asked that the political trial of Supreme Court of Justice President Miguel Macias Hurtado not be lumped together with penal proceedings against Vice President of the Republic Alberto Dahik. Alarcon insists that it is a coincidence that both trials are going to be conducted simultaneously.

Alarcon also said that there is no agreement among the new majority that elected him to the presidency of Congress, nor any consensus about the censure of Macias and the other magistrates of the Supreme Court: Jorge Fantoni, alternate president, and Alejandro Bermudez. On the contrary, he believes that if the result is dismissal from office, this would have no effect on the trial of Dahik and his secretaries, as "It must be remembered that the judiciary is an institution and not a person."

[EL UNIVERSO] Why is the political trial of the President of the Supreme Court, Miguel Macias Hurtado, taking place now?

[Alarcon] It is not because he is the president of the Supreme Court, but one of the three magistrates who pronounced a judgment that, according to the deputy who raised the question, is an authentic robbery of public funds.

An individual filed a claim against the IESS [Ecuadoran Institute of Social Security] over a private matter, asking for a maximum of 30 or 40 million sucres. The judgment, accepting the expert opinion of the three magistrates, ordered the IESS to pay 10 billion sucres,

money belonging to the people and to those insured, to a private individual.

Aside from what might be said about Congress interfering with the court system, according to the deputies who have raised the question, this is a matter of robbery of public funds that could have taken place in the executive branch, the judiciary, or any other function, but that Congress is obliged to investigate and, if proven, to punish.

This trial began four months ago; it was processed in the Oversight Commission, of which I was president; proceedings to establish sufficient cause were opened; evidence was presented; and now it is in the phase where the magistrates appear before Congress.

[EL UNIVERSO] Then it is a coincidence that it turns out now that Macias made public the judgment about misuse of secret funds against Vice President Dahik?

[Alarcon] It is a coincidence. This has nothing to do with what is happening with Vice President Dahik. I am the first to recognize that the penal trial against the vice president must continue entirely within the judiciary. But this is not one person, nor two nor three, it is an entire group. Therefore, if the Supreme Court judges are dismissed from office, others will arrive automatically, who will have to continue the penal trial against the vice president.

And the political trial against Dahik is going ahead in Congress. The Special Commission presided over by Deputy Napoleon Icaza has been appointed, and it will decide whether or not the trial will proceed.

Things should be clarified, they should not be mixed up. This political trial of the magistrates has nothing to do with the vice president of the republic, nor with the announced reorganization of the judiciary, in which we will gain nothing by exchanging some names for others, but by modernizing the judiciary so that it can give the country what it wants.

[EL UNIVERSO] Nevertheless, if the new majority that elected you was effective, the three magistrates would already have been dismissed from office. Was this not part of the agreement of the Popular Defense bloc?

[Alarcon] No. Restructuring the Supreme Court was not a condition. Modernizing the administration of justice was a condition—which for me is not changing names, but giving a new content to the election of judges; there should be a judicial career, professionalization of judges and, after a constitutional reform, if reorganization is necessary, then there will be reorganization.

Furthermore, there was no agreement in the new majority regarding political trials. It was decided that political

parties or legislators would act in accordance with their consciences and their convictions on each trial. We are not holding political trials in order to decapitate anyone. There is a priority in political trials, and first place had to go to the Supreme Court magistrates. Each party will decide its vote there freely.

[EL UNIVERSO] But, cannot the dismissal of a judge greatly influence the trial of Dahik and his secretaries?

[Alarcon] It must be remembered that the judiciary is an institution, not a person. If Dr Macias, Bermudez, etc., are censured and dismissed, they will be replaced immediately by their alternates, and therefore the penal trials, not only this one (Dahik's), will continue until their final consequences.

I have said that it was an error for the vice president of the republic to go to Congress to defend himself against a penal trial. He should have gone to the courts. He will have to go to Congress when the political trial comes up.

So there is no danger that this trial could be suspended. It has to continue, and there is also vigilant public opinion right now that is not going to allow a penal trial to be handled otherwise.

[EL UNIVERSO] Does this mean that the negotiations on Macias Hurtado's trial have not yet taken place in Congress? Will they take place on Monday?

[Alarcon] I would say that a political trial should proceed according to the evidence that has been brought forward.

[EL UNIVERSO] But is that possible in practice?

[Alarcon] I know that is the ideal, which is the enemy of the real. It is difficult in an eminently political Congress, but what I can guarantee is that there has been no agreement on a political trial to say: Let us get together to censure or dismiss a certain person.

There was, however, a political agreement to prioritize the political trials according to the national interest, and the first of those was that of the Supreme Court magistrates who made the judgment, which the country should understand and compare the figures. To pay 10 billion sucres for a claim of 30 million is alarming, to say the least. [Box, p 5]

The Fight Against Corruption

Fabian Alarcon believes that denouncing and investigating corruption, as is happening now in Ecuador, is a basic part of the democratic system. "We should not be frightened by it."

"There are many countries in the world that have denounced acts of corruption in high places, and punished them—and democracy continues on its course. Democracy is in danger if there is corruption and nothing is done about it," he said.

Alarcon said that one must be careful not to magnify and generalize these cases over the whole country, because they are exceptions. "The country must have faith and optimism—that we are a country that can go forward, that the examples of corruption are few, that the country is healthy, that it can fight and have national pride in being Ecuadorian," he declared.

The Anticorruption Program

Alarcon announced that within the next few days, a mixed legislative-executive commission would meet with President of the Republic Sexto Duran-Ballen to study a unified proposed anticorruption law that will combine the wishes of both branches. "We are going to prepare a draft bill about secret funds, which must have a legal framework to prevent their being handled like a personal account."

Alarcon said that it is also indispensable to fight against corruption in Congress, in view of the instances of bribery denounced recently.

"I believe that the proposal I presented a few months ago on legislative responsibility should be moved forward. Legislators watch everyone, but who watches the legislators? Nobody. There must be a legal framework to make legislators responsible for their actions."

He explained that his proposal even provides for the expulsion of legislators in certain cases, such as use of office for personal benefit, provoking acts of physical or verbal violence seriously embarrassing to the country, abandoning the party that elected them, or failure to work.

[EL UNIVERSO] But would this not be like parliamentary immunity, in which it is difficult to get a majority to sanction a deputy, out of misguided sense of solidarity?

[Alarcon] It is difficult, but there has to be a legal framework. There has to be the support of public opinion. I believe that the entire country demands legislative responsibility. It is difficult, but not impossible.

Paraguay

Peasants, Police Clash in 'Violent' Demonstration

Police Detain 15, Seize Weapons

PY0809144995 Asuncion NOTICIAS in Spanish
8 Sep 95 p 4

[FBIS Translated Text] The Santa Rosa police precinct disclosed yesterday the list of the people taken into custody following the harsh police repression that took place when a considerable group of peasants tried to block Highway No. 3. The detainees were released last night.

Some 15 people were arrested on charges of possession of fire arms, scythes, machetes, and knives at the demonstration.

The names of those who were held are: Anselmo Espinoza, 39; Benicio Gonzalez Otazu, 37; Ediberto Ibarra, 20; Teodoro Cabrera, 32; Juan Ramon Ramirez, 30; Calixto Cabral or Eusebio Espinola, 27 — the identity of the latter is not exactly known; some acquaintances of his argue that in Santa Barbara he is known as Eusebio Espinola — Rufino Lopez Obregon, 32, Nestor Mena Peralta, 35; Pastor Aranda, 37. The identities of the other six detainees were not disclosed. A 13-year-old minor was also booked at the Santa Rosa police precinct on gun possession charges.

Several weapons were seized at the place where the violent peasant repression by the riot police and the "environmental protection" police. A total of four rifles, guns of different caliber (22, 38, 45), a countless number of scythes, machetes, small machetes, daggers, and knives were seized from the peasants who were arrested by the police. The latest police report stated that four detainees were initially released, and subsequently the rest of them.

President Views Clash, Accuses Congress

PY0909023495 Asuncion Cerro Cora Sistema
Nacional de Television Network in Spanish
2350 GMT 8 Sep 95

[FBIS Translated Excerpt] President Juan Carlos Wasmosy made harsh remarks against Congress. He stressed that he already knew, 30 days ago, what would occur, giving one to understand that the peasants are being encouraged by populist forces.

The president, lamenting the death of peasant Pedro Gimenez, pointed to Congress as being responsible for what happened in San Pedro Department, saying that the demagogic and idiotic attitude of congressmen leads to these types of consequences:

[Begin Wasmosy recording] But the loss of an 18-year-old youth is a saddening thing for me. This had to occur so that people would come to understand that dialogue and efforts in concert are the tools the government preaches and acts on in order to achieve solutions to social problems.

Or, is that we always want to be the protagonists when we say that we create rural settlements with a bulldozer making 3 km of roads. Afterward, it is difficult to give them medical aid, education, security, water, and electricity. We are planning urban centers, where it will be much cheaper and much easier to give assistance to these people. We want the peasant to walk to his plot of land.

Thus, we will be giving much more security to those young girls who at times are violated by criminals; they are violated by criminals when they have to walk to school.

But, yes, it is true that impatience, need, at times causes these humble workers, who need land and who want to work, to become useful dupes for people who speculate, people who stir them up.

I knew about this nearly 30 days ago; I knew of this plan, and of outbreaks in all the departments.

Gentlemen, I want you, the economically active forces of the country, to support me in this campaign against those who want to always be the protagonists, against those who.... [pauses] I had obtained 30,000 hectares in a department and, completely free of charge, 10,000 hectares for roads, and it backfires in Congress because of the idiocy of those who want to embargo or expropriate 286,000 hectares, while in the courts we will never get a single hectare, and the peasant continues to wait.

We must be clear and unmask all of this, all of those who take advantage of the hunger and the needs of the peasants for their own political and personal ambitions. [end recording] [passage omitted]

Wasmosy Outlines Policy Toward Peasants

PY0909024995 Asuncion Cerro Cora Sistema
Nacional de Television Network in Spanish
2350 GMT 8 Sep 95

[Report by Channel 7 from Encarnacion]

[FBIS Translated Excerpt] [passage omitted] At the request of the media, President Juan Carlos Wasmosy referred to the government's policy regarding the peasants:

[Begin Wasmosy recording] In the first place, I believe that the interior minister made two very clear statements to make the government's policy in this respect known.

I have given precise instructions in that the peasants must not be attacked, even if they have invaded the property of other people.

The Constitution also states that we take our own precautions, but the life of the people comes before anything else.

The majority of these people are seeking land on which to live and cultivate. Our program contemplates giving it to them, but in an orderly way.

The rural settlements that have already been created were, as you have already observed because you accompanied me, have narrow, long trails.... [pauses] With these 11,000 hectares, which are located in San Pedro Department, and which the peasants will check out between today and tomorrow, we have the intention of creating an urban nucleus. Thus the peasant will be able to walk to his plot of land, and we will be able to provide him with water, electricity, medical aid, security, and schools as soon as possible.

We do not want them to be isolated, because at times the criminals take advantage of the young girls, the children of these peasants.

Thus, this is the project we have designed, and it is being implemented. The only thing that remained to be done was to take them to that land. [end recording] [passage omitted]

Venezuela

Caldera Announces Changes in Gasoline Prices

PA0809033095 Caracas Radio and Television
Networks in Spanish 0230 GMT 8 Sep 95

["Message to the nation" by President Rafael Caldera on 7 September; place not given—recorded]

[FBIS Translated Text] Yesterday, I returned from a three-day trip to Ecuador and Colombia. I spent two days in Quito in very important collective meetings, on which the media have broadly reported. I had an unforgettable day on 6 September. All the gestures of affection and consideration accorded to me demonstrated Colombia's willingness to maintain, improve, and perfect the indispensable relations of friendship, cooperation, and fraternity between that country and ours.

I must thank the president of Colombia, his government, and the Colombian people for all those demonstrations, and I must say that we spoke with great clarity. Problems were sincerely discussed, and from there came the clear political willingness to march together, harmoniously, to establish cooperation between the two countries for the futures of the two peoples.

Now, I want to refer to a problem, the announcement of which I wanted to postpone until after my return. It is the setting of the price of gasoline, the price of gasoline about which so much has been said, discussed, speculated, and commented.

The government, I, myself, have adopted a decision, and the most important thing about that decision is that the price of regular gasoline and diesel, which are the key fuels of vehicles used by the people, will remain unchanged. Their prices will go down a little, because the price of 5.25 bolivares per liter will go down to 5.20 bolivares, and the quality of regular gasoline, the gasoline of 83 octane, will increase to 87 octane.

Beginning 10 September, three types of gasoline will be available at gas stations: regular gasoline of 87 octane at 5.20 bolivares per liter; premium gasoline of 91 octane at 10.00 bolivares per liter; and super-unleaded gasoline of 95 octanes at 14.00 bolivares per liter. By doing this, we are putting the burden of this measure on those sectors that have more capability to withstand the same.

If the collective transportation vehicles—the vans that go up the hills, the cargo vehicles that travel around the country—will continue paying the same prices for fuel, there should be no cause to increase fares or to increase the prices of other articles as a result of the change in fuel prices. This point is very important.

I would also like to say that the gas program continues, will move on. Cooking gas will always be cheaper than gasoline, and we are confident we will be able to offer positive results not only by the end of the year but especially next year.

I wished to make this announcement so that the people will know we are really concerned about their interests, needs, and anxieties. The Venezuelan people will understand the reasons for the decision I have made, and they will back it up decisively and firmly. This decision corresponds to the orientation of social justice, which is fundamental in my government. Many thanks.

Opposition, Defense Minister Comment

PA1009183395 Caracas Venezolana de Television
Network in Spanish 0200 GMT 9 Sep 95

[Report by Fernando Porte and Pedro Prado from "The News" newscast]

[FBIS Translated Text] Opposition parties supported the presidential decision to adjust fuel prices, but described it as an isolated measure which seeks immediate results.

Various sectors of society were anxiously awaiting an adjustment in the price of fuel, as expressed by parliamentary leaders from all tendencies. The political

game, however, is serious matter. As usual, after the cake is served, criticisms follow.

The Radical Cause Party said that the adjustment is only a way to continue paying for the state's expenses, and in the long run will result in an increase in the price of consumer goods and public transportation.

[Begin Carlos Melo recording] This [word indistinct] will cost 6 billion [currency not specified] this year, and 12 billion next year. There are many other bureaucratic systems. Those funds will be used that way, and if that money is going to be invested in those sectors, the truth is... [pauses] it would be unfortunate if Venezuelans do not make an effort to prevent the waste of funds. [end recording]

The Movement Toward Socialism [MAS] said that the measure was sensible and timely. It recommended, however, that the Development Ministry and Indecu [expansion unknown] as well as Fedecamaras adopt certain measures and decisions to prevent a wave of speculations by some commercial sectors as a result of the increase in the price of fuel.

[Begin recording] [MAS leader Luis Eculpi] The development Ministry should try to establish agreements with the business sector to prevent an increase in prices of food products and services. [end recording]

[Begin recording] [Social Christian Party Deputy Nelson Chitty La Roche] An increase in the price of gasoline by itself will not straighten public finances. [end recording]

Aside from some criticisms and observations, the opposition parties agreed that the adjustment in the price of fuel projects a positive image of the country to the world.

The National Chamber of Transportation said the executive branch's decision to increase the price of gasoline was improvised. Carlos Lopez, president of the National Chamber of Transportation said they feel discriminated because they were not asked to participate in the discussions.

Lopez said that although public and cargo transportation will not be affected because they use diesel and low octane gasoline, the price of which was not increased, middle class people who use 91 octane fuel in their vehicles will be affected. In that regard, he called for the implementation of an overall policy to regulate public transportation.

[Begin Lopez recording] Persons who use 91 octane gasoline in their cars should have access to an overall transportation program, which could include connections with the metro, buses in the inter-urban areas, and in the outskirts of the large cities. [end recording]

Lopez said the government should create mechanisms to prevent the continuation of contraband toward neighboring countries and corruption in gas stations.

Meanwhile, Defense Minister Division General Moises Orozco Graterol is convinced that the adjustment in the price of gasoline will not cause social unrest.

The fact that an increase in the price of fuel was announced Thursday does not justify increasing security measures in the country. Everything remains calm, Defense Minister Orozco said, adding that there have been no incidents requiring the intervention of the National Armed Forces. He noted that in any event, plans exist, which would be activated if necessary.

[Begin Orozco recording] As you know, the Defense Ministry has its plans. On occasions you have attended meetings on the Avila Plan and the Soberania Plan, which establish regulations and instructions to implement actions to preserve peace and public order. [end recording]

The so-called Avila Plan is one of the plans designed for the National Armed Forces. Gen Orozco said the presence of the National Guard on the streets is routine and part of the cooperation that exists between this force and the state security agencies fighting crime.

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